



CHAPTER 145

An Act to incorporate the *Société d'Entreprise du Canada*

[Assented to, the 20th of May, 1937]

WHEREAS J. Aldéric Raymond, financier, of the Preamble. city of Montreal; Esdras Minville, economist, of the city of Montreal; Léopold A. Renaud, financier, of the city of Outremont, and Guy Vanier, advocate and King's Counsel, of the city of Montreal, have, by their petition, represented:

That many commercial and industrial initiatives fail to give the expected results and are even burdened with serious difficulties for want of an efficient organism to assist them at the proper time;

That regional industry may be developed, in the most varied forms, in every part of the Province of Quebec for the advantage of agriculture, the basic industry, for the available local labour, for young technicians seeking a career and for the general prosperity of the Province of Quebec;

That a large part of the natural resources and by-products are unexploited through lack of means and technical control;

That public opinion and those in authority are calling for institutions suited to the present economic needs of the population of this Province;

That, with the support of the public authorities, it is possible and even urgent that the citizens having business experience, a knowledge of economic problems and capital be grouped to effectively aid production and labour and to organize new markets for the agricultural and industrial products of this Province;

Whereas the petitioners have prayed for the passing of an act to incorporate them under the name of *Société d'Entreprise du Canada*; and

Whereas it is expedient to grant their prayer;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

- Incorporation.** 1. The said J. Aldéric Raymond, financier; Esdras Minville, economist; Léopold A. Renaud, financier, and Guy Vanier, advocate and King's Counsel, and all other persons who may subsequently become shareholders of the company, are hereby incorporated under the name of *Société d'Entreprise du Canada*.
- Name.**
- Head office.** 2. The head office of the company shall be in the city of Montreal. The company may, however, establish branches and business offices wherever its operations may render the same necessary or useful.
- Capital stock.** 3. The capital stock of the company shall consist of one hundred thousand "A" shares, of a par value of twenty-five dollars each, and of two hundred thousand "B" shares, without par value. The "A" shares shall be entitled to a preferred but non-cumulative dividend of one dollar and a half per share before the "B" shares receive any dividend during the same year; after such dividend has been paid to the "A" shares, the "B" shares shall be entitled to receive a dividend of twenty-five cents per share for the same year; if any net or surplus profits remain, the board of administration shall not, with reference to such year, declare or pay additional dividends except by attributing them *pari passu* to both the "A" shares and "B" shares as if these formed a single and the same class of shares. Such capital stock may be issued in lots, from time to time, according to the company's needs, at the prices and on the conditions fixed by resolution of the board of administration provided that every "A" share brings into the company in money or in value the equivalent of at least twenty-five dollars per share.
- Ranking of shares in event of dissolution, etc.** 4. In the event of the dissolution or liquidation of the company, the "A" shares shall rank prior to the "B" shares of the company to the extent of the reimbursement of the capital at the rate of twenty-five

dollars per share if wholly paid up, or to the extent of the instalments paid thereon if such "A" shares have only been partly paid; all the remaining assets, after payment of all the company's debts and after reimbursing the capital at par of the "A" shares, as mentioned above, shall belong to the holders of "B" shares *pro rata* to the fully paid "B" shares held by them.

5. The affairs of the company shall be administered by a board of not less than six nor more than twenty-one administrators; the number thereof shall be fixed from time to time by by-law adopted by the shareholders upon the recommendation of the board of administration. The administrators of the company shall be elected for three years, by thirds, by the shareholders in general annual meeting assembled. In order to fix the expiration of the terms of office of the first administrators elected, the latter shall draw by lot amongst themselves after their election which shall be of the whole board. Every retiring administrator is eligible for reëlection. A shareholder, to be elected administrator of the company, must hold at least one hundred "A" shares or two hundred "B" shares.

Administra-
tion by
board.

6. The persons mentioned in section 1 shall be the provisional administrators of the company and they shall remain in office until replaced by the administrators whom the general meeting of the shareholders is called upon to elect.

Provisional
administra-
tors.

7. Each year, after the annual meeting of the shareholders has elected the administrators to replace those whose term of office has expired, the board of administration shall elect a president of the company as well as one or more vice-presidents, chosen amongst the administrators; the council may also elect a chairman of the board of administration chosen amongst the administrators.

Electing of
president,
etc.

8. The board of administration may, from time to time, by resolution, delegate its powers, wholly or partly, as it may deem expedient, to an executive committee composed of not less than three of its members. The decisions of such executive committee shall bind the corporation in the same manner as the decisions of the board of administration. The minutes of such executive committee must be submitted periodically

Delegating
of powers.

to the board of administration for inspection and for ratification if need be.

General meetings.

9. The general meetings of the company shall be summoned by means of a notice indicating the time, place and object of such meetings, published once during each of the two weeks immediately preceding the meeting, in two newspapers published in the French language, one in the district of Montreal and the other in the district of Quebec. Without being bound thereto, the company may send such a notice of meeting to the shareholders, addressed to their last known address.

Business at general meetings.

10. The shareholders shall be convened each year in general meeting to take cognizance of the financial statements of the company, receive the report of the administrators, and elect members of the board of administration for the seats become vacant. Each shareholder shall have the right to one vote for each fully paid-up share of either category, held by him.

Powers of company.

11. The company may borrow upon notes or other negotiable instruments, and, generally, contract loans of monies upon its credit. It may from time to time issue, on the prices and conditions deemed suitable by the board of administration, bonds, debentures, certificates or other instruments and securities, to represent any loan, debt or obligation whatsoever already contracted or to be contracted in the course of its operations, and, to guarantee the payment in capital and interest of such bonds, debentures, certificates or other instruments and securities, the company may grant to one or more trust companies, hypothecs, mortgages, pledges, assignments or transfers of the whole or part of its moveable or immoveable property, present or future, provided that the by-law adopted by the board of administration in connection with an issue of this nature be approved by two-thirds in value of the shareholders present in person or represented by proxy at a special general meeting duly called for such purpose, and provided that the amount of such bonds, debentures, certificates, or other instruments and securities does not exceed the capital of the company, paid and intact, according to the company's auditors, and provided that such bonds, debentures, certificates or other instruments and securities are secured by hypothecs in favour of the company, or by property

in the possession of or otherwise held by the company, or made over to the company, or by hypothec, pledge, mortgage or transfer of property to one or more trust companies for the company's protection or account, of a net value, over every charge whatsoever, equal to at least one hundred and twenty-five per cent of the par value of such bonds, debentures, certificates or other instruments or securities. Such bonds or instruments may be issued in dollars, pounds sterling, French, Belgian or Swiss francs and they may be registered or to bearer.

12. The company is hereby authorized:

Additional
powers.

a. To organize, promote, contribute towards the promotion, organization, development or administration of any company, corporation, association or syndicate; to acquire, keep, possess, sell or retrocede the assets, shares, bonds or other property, securities or guarantees of other companies and especially, without limiting the foregoing terms, to encourage the formation and operations of any other company, and for such purpose to subscribe, purchase and sell shares, bonds or any other securities issued or furnished by other companies, and otherwise employ the funds of the company or make use of its credit, by employing any portion of the monies, shares, bonds or other securities of the company for such purposes, or by granting its endorsation or its guarantee in any way whatsoever, or by placing on the market or guaranteeing the shares, hypothecary titles, bonds, securities, contracts or agreements of such other company, or by guaranteeing the payment of the interest thereon, or otherwise;

b. To examine and audit the books, accounts, condition and financial position of the business or of the moveable or immoveable property of any person, company, firm or corporation and report thereon, when requested or authorized thereunto by such corporation, firm or person and also when requested thereto by an order of the public authorities or of a court of competent jurisdiction;

c. To employ or invest the capital and other monies of the company in any kind of instruments or securities, and in particular in the stock, shares, bonds, debentures, certificates, rights, certificates of participation in trusts, or other securities under any form or name, issued or

guaranteed by any company, corporation or undertaking of any kind, organized for any purpose or in any place whatsoever, or by any commission, association, partnership, firm, syndicate, fiduciary body or individual, or in the bonds, debentures, certificates or securities of any kind issued or guaranteed by any state, government, province, municipal or school corporation, *fabrique*, parish trustees, or other public commission or body of this country or elsewhere; to exercise all the rights and privileges of an owner in connection with such securities; to acquire such instruments or securities of any kind, by subscription, tender, membership in syndicates, underwriting, purchase, exchange or otherwise, to underwrite them or subscribe for them conditionally or otherwise, as an investment or to resell them, or otherwise; to enter into, execute, convey, alienate, on its own behalf or as agent for a third party, contracts, agreements, or arrangements of any kind in connection with the acquisition and sale, in any form, of shares, bonds, evidence of indebtedness or other securities; and generally to sell, exchange or otherwise alienate such instruments and securities, trade therein on the company's behalf or on behalf of other persons, partnerships or companies, and to turn to account for the company or for other persons, partnerships or companies such property, instruments, securities, or investments already acquired by the company or which the company has covenanted to acquire;

d. To make investments, in the name of mandators, or in its name for its account, or in its name for the account of mandators, companies, corporations, partnerships or persons, either by acquiring immoveable property, moveable property, claims or other securities, or by lending money upon conditions deemed suitable, with power to accept, as security for the payment of such loan or investment, a hypothec, privilege or guarantee on real estate, ground rents, securities of the Dominion, provincial, British, foreign or other public securities, or on stock in trade, shares, bonds, debentures or other evidence of debt of public or private corporations, or upon merchandise warehoused or pledged to the company, or upon such other instruments or securities as are deemed suitable; and to acquire by purchase or otherwise the said properties, book-debts, instruments or effects, whatsoever, which may so have been made liable to the company as secu-

rity for such loan or investment, and to resell or dispose of same by exchange or otherwise;

e. To acquire and possess as long as may be useful or necessary, hypothecate, mortgage, convey and alienate real estate, as may be deemed necessary for conducting the affairs of the company, or as a compromise or payment of any credit or claim which the company may have against any person, partnership or corporation, or on the occasion of any judicial or other forced sale or payment of the claims, hypothecs, trusts or agreements accepted or held by the company in the regular course of its business;

f. To construct buildings, workshops, mills, warehouses and provide them with machinery and equipment, in the name of mandators, or in its own name for its own account, or in its own name on behalf of any mandator, company, corporation, partnership or person; to take, agree to, grant and accept hypothecs, pledges, mortgages, guarantees or transfers on the said constructions and their accessories for suitable prices, values and conditions and to facilitate for such persons as may contract with the company the purchase of immovable property, securities or other property of a moveable or immovable kind;

g. To act, generally, as agent or attorney, for any person, partnership, corporation, executor, curator, administrator, trustee or other person, with the fullest powers, for the transaction of the business, the administration of the property, the execution of contracts, investment of any property or monies deposited with or otherwise entrusted to the company, the collection of monies, rents, debts, interest, dividends, coupons, bonds, debentures, drafts, promissory notes or other securities;

h. To solicit, purchase or acquire patents for inventions, patented rights, copyrights, trademarks, formulae, licences, concessions or any other privileges of a nature to help the company's undertakings or those in which it intends to take an interest; to utilize, exercise, develop, operate and turn them to account; to ask for, obtain or acquire by grant, legislative enactment, order-in-council, cession, transfer, purchase, lease or otherwise, exercise, use and enjoy any permit, power, authorization, franchise, concession, right or privilege which any government or any other authority or public body may have power to grant ;

to apply the shares, debentures, securities, assets or credit of the company to pay the cost, outlays, charges and expenses thereof or contribute to putting them into effect or value;

i. To accept, fulfil and carry out any trust which may be offered or assigned to it, jointly with others or separately, by any person, partnership or corporation, or by any court of justice, upon such conditions as may be agreed upon or which the court may approve in all cases of incapacity; to exercise the functions and fulfil all the duties of sequestrator, receiver, trustee, assignee, liquidator, executor, transfer agent, registrar, tutor, curator, administrator, notwithstanding the provisions of articles 364 and 366 of the Civil Code, which shall in no manner affect the present company. Power and authority are hereby given to any judge of the Superior Court to entrust the company with any functions or mandates of this nature;

j. To act as agent for transferring, registering, issuing and countersigning stock transfers and stock certificates, bonds, obligations of Canada or of any Province of Canada, or of any corporation, company, association, government or municipality; to receive and manage the sinking-funds connected therewith; to act as trustee in the case of an issue of bonds, or of hypothec, pledge, mortgage or transfer of property or other securities, made according to law, by any government, municipality or legally constituted corporation; to hold property hypothecated, transferred or pledged to it to secure the execution or payment of bonds, debts or agreements, and to sell, lease, affect, hypothecate or otherwise dispose of such property in accordance with the deed governing such pledges, mortgages, transfers, hypothecs, trusts or agreements;

k. To guarantee the title or peaceful enjoyment of any property absolutely or upon conditions or restrictions; to guarantee any person, partnership or company interested therein or about to become interested therein, or owning or about to purchase or acquire any moveable or immovable property, against any loss, suit, proceedings, claims or demands through insufficient or imperfect title or want of title, or through the existence of charges or rights; likewise to guarantee any person, partnership or company against loss or damage through the failure of any person, partnership or company to make faithful payment, in whole or in

part, of any loan, advance, hypothec, hypothecary or other claim whatsoever, or of interest; to issue certificates or documents for such purposes in such form as the company may determine and for such remuneration as it may fix;

l. To stipulate, collect, receive, claim before any court of justice and recover any covenanted and reasonable remuneration as well as all ordinary or customary expenses and disbursements, for all duties, trusts or services of any kind whatsoever, rendered, observed, executed, accomplished or done in the exercise of any of the powers of the company, whether such duties, trusts or services be free or not by law or custom; to remunerate any person, partnership or company for services rendered or to be rendered in connection with the investment or sale of shares, bonds or other securities of the company itself or of persons, partnerships or companies which the company may intend to aid, organize or promote in the course of its operations, or in connection with the organizing, development or conduct of the company's own business or the business of any person, partnership or company to which the company may have to attend in the course of its operations;

m. To pay for any services rendered, except by the administrators, and any property or rights acquired, in such manner as it may deem suitable and particularly to issue and allot fully or partly paid shares, or fully paid bonds, in full or part payment for moveable or immoveable property, rights, leases, businesses, industrial undertakings, franchise, powers, privileges, licenses, concessions, shares, bonds or other property or securities which the company may acquire or in which it may agree to participate; to sell or alienate the entirety or any portion of its property, assets, rights, titles or securities, for such consideration as the company may deem suitable and especially for the shares, bonds or securities of any other company, corporation or syndicate.

13. The company shall furnish to the Provincial Minister of Trade and Commerce a statement showing the capital of the company issued, the sums subscribed and paid up on the capital, the assets and liabilities of the company and all other details which the Provincial Minister of Trade and Commerce may exact, from time to time.

Statement to
Minister of
Mun. Affairs,
Trade and
Commerce.

By-laws. **14.** No by-law of the administrators, approved by the shareholders, may be amended, annulled or set aside, except by another by-law of the administrators, approved by the shareholders.

Provisions not applicable to company. **15.** Section 167 of the Quebec Companies' Act, (Revised Statutes, 1925, chapter 223), shall not apply to the shareholders, administrators and officers of the company. The company may be represented by one or more of its administrators on the board of administration of companies in which it is interested as vendor, purchaser, creditor, debtor or shareholder, and such administrators may validly vote upon any business or contracts submitted to them without incurring any liability on this account and such business or contracts cannot be invalidated on this account, provided that such administrators acquaint the board of administrators concerned with the nature of the interests that they represent before the adoption of the decision or on the first opportunity afforded them if they were absent at the time. A general notice given to the board of administration interested and entered in the minutes that an administrator is a member of the board of administration of such other company shall constitute sufficient proof and it shall not be necessary that such notice be renewed for each individual transaction with such other company.

Increasing of capital-stock. **16.** The company may, by order-in-council, have its authorized capital-stock increased by means of issues of preferred shares up to a par value of two million five hundred thousand dollars, redeemable or not. When such increase of capital has been so authorized, the company may, from time to time, as needed, adopt a by-law for the purpose of issuing such preferred shares, in one or more lots, provided that the by-law to govern such shares to be issued be first adopted by the board of administration and then ratified at the special general meeting by the vote of two-thirds in value of the shareholders of each category concerned, present or duly represented by proxy.

Changing of provisions governing shares. **17.** The provisions governing one or the other of the various categories of shares of the company issued or to be issued may, from time to time, be amended as required, provided that a by-law to such effect be first adopted by the board of administration and be ratified

at a special general meeting by the vote of two-thirds in value of the shareholders of each of the categories concerned, present or duly represented by proxy. A notice of such change must be published in the *Quebec Official Gazette*, by means of two consecutive weekly insertions. The available capital stock may then be issued and allotted according to the new provisions governing such stock, by resolutions of the board of administration adopted, from time to time, according to the company's need.

18. The provisions of Part II of the Quebec Companies' Act, Revised Statutes, 1925, chapter 223; the Trust Companies' Act, Revised Statutes, 1925, chapter 248, and Division V of the Special Corporate Powers Act, Revised Statutes, 1925, chapter 227, shall apply to the company, when not specially derogated from by this act. Provisions applicable to company.

19. The general meeting of the company shall not be held until the shareholders have subscribed at least two hundred and fifty thousand dollars of the capital stock of the company. Restriction as to general meeting.

20. The provisional administrators may make and sign on behalf of the company any contract, undertaking, agreement or document with employees, brokers or other persons or companies respecting the subscription of capital stock, publicity and the measures or services with the view of making the company known and of completing its organization, but the company shall not begin its operations proper so long as one hundred thousand dollars at least of its capital stock have not been paid. Amount needed prior to commencing operations.

21. This act shall come into force on the day of its sanction. Coming into force.

