

C H A P. 66

An Act to amend the Quebec Companies' Act, 1920

[Assented to, the 3rd of April, 1925]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. Article 5967*a* of the Revised Statutes, 1909, as R. S., 5967*a*, enacted by the act 10 George V, chapter 72, section 1, is ^{am.} amended:

a. By inserting therein after the words: "less than", in the third line of sub-paragraph *b* of paragraph 1 thereof, the words: "ten per cent of";

b. By replacing the words: "then by the consent of the holders of two-thirds of each class of shares then outstanding given at a meeting called for that purpose", in the seventh, eighth and ninth lines of paragraph 4 thereof, by the words: "then by the vote of at least two-thirds in value of each class of shares represented by the shareholders present at a meeting specially called for that purpose";

c. By replacing the words: "until such increase of its stated capital has been issued and paid for.", in the seventh and eighth lines of paragraph 5 thereof, by the words: "until ten per cent of its new privileged capital, having a preference as to principal, and the entire amount of its other new capital, has been issued and paid for.";

d. By replacing the words: "to article 5972", in the second line of paragraph 6 thereof, by the words: "to the first and second paragraphs of article 5972; it shall however be subject to the third paragraph of the said article.";

e. By replacing paragraph 7 thereof, by the following:

"7. No dividend shall be declared which impairs the capital of the company. No dividend to impair capital.

For the purposes of this paragraph, the capital of the company shall be the amount of the preferred stock, if any, the issue whereof has been authorized with a preference as to principal, and which has been subscribed and paid for, together with, in addition, the total amount of the consideration for which the other shares have been issued and allotted. Establishment of capital.

In case any such dividend shall be declared, the directors in whose administration the same shall have been declared, except those who may have caused their dissent therefrom to be entered upon the minutes of such directors at the time when it was declared, or who were not present when such Liability of directors.

action was taken, shall be liable jointly and severally to such company and to the creditors thereof to the full amount of any loss sustained by such company or by its creditors respectively by reason of such dividend."

R. S., 5967e,
am. **2.** Article 5967e of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: "of its members", in the fourth line of the first paragraph thereof, by the following words: "of the members present at a special general meeting called for such purpose".

R. S., 5967f,
am. **3.** Article 5967f of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: "if two-thirds of the votes of all the shareholders of each of such companies are for the adoption of the agreement", in the second, third and fourth lines of paragraph 4 thereof, by the words: "if the vote of at least two-thirds in value of the shares represented by the shareholders present is for the adoption of the agreement".

R. S., 5978,
am. **4.** Article 5978 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: "by the votes of shareholders representing at least two-thirds in value of the subscribed stock of the company", in the second, third and fourth lines thereof, by the words: "by the vote of at least two-thirds in value of the shares represented by the shareholders present".

R. S., 5985,
am. **5.** Article 5985 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, and as amended by the act 11 George V, chapter 83, section 1, is again amended by replacing the words: "by a vote of not less than two-thirds in value of the subscribed capital stock represented", in the fourth, fifth and sixth lines of the first paragraph thereof, by the words: "by the vote of at least two-thirds in value of the shares represented by the shareholders present".

R. S., 5989,
am. **6.** Article 5989 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, and as amended by the act 11 George V, chapter 83, section 2, is again amended:

a. By replacing paragraph 1 thereof, by the following:

Powers of
directors. **"5989. 1.** The directors of the company may make by-laws for:

a. the creating and issuing of any part of the capital stock as preferred stock;

b. the conversion of preferred stock into ordinary stock or any class of shares into any other class.”;

b. By replacing paragraph 3 thereof, by the following:

“3. No such by-law shall have any force or effect until after it has been approved by the vote of at least three-fourths in value of the shares represented by the shareholders present at a general meeting of the company, duly called for considering the same, and sanctioned by the Lieutenant-Governor.”;

Conditions precedent to effect of by-law.

c. By repealing paragraph 4 thereof.

7. Article 5993 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: “after ninety per cent of the capital stock of the company has been taken up and fifty per cent thereon paid in”, in the first, second and third lines of paragraph 1 thereof, by the words: “after fifty per cent of the capital stock has been taken up and ten per cent thereon paid in”.

R. S., 5993, am.

8. Article 5995 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: “by the votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company”, in the fourth, fifth and sixth lines thereof, by the words: “by the vote of at least two-thirds in value of the shares represented by the shareholders present”.

R. S., 5995, am.

9. The Revised Statutes, 1909, are amended by inserting therein, after article 6007, as enacted by the act 10 George V, chapter 72, section 1, the following article:

R. S., 6007a, added.

6007a. 1. If a transmission of shares or other securities of a company takes place by virtue of any testamentary act or instrument, or in consequence of an intestacy, and if the probate of the will or of the testamentary act or instrument, or the letters of administration or other judicial or official instrument, under which the title, whether as beneficiary or trustee, or the administration of the personal estate of the deceased is claimed to vest, purports to be granted by any court or competent authority of the Dominion of Canada, or of Great Britain or Ireland, or of any other of His Majesty’s dominions, or of any foreign country, the probate of the said will or the said letters of administration or the said other judicial or official instrument or an authenticated copy thereof or official extract therefrom, shall, together with a declaration in writing showing the nature of such transmission and signed and executed by the person

Transmission of shares and production of documents therefor.

or persons claiming by virtue thereof, be produced and deposited with the manager, secretary, treasurer, or other officer of the company named by the directors for the purpose of receiving the same.

Production
sufficient
authority
for paying.

2. Such production and deposit shall be sufficient authority to the directors, subject to the prescriptions of the law of the Province respecting succession duties, for paying the amount or value of any dividend, coupon, bond, debenture, or obligation or share, or transferring, or consenting to the transfer of any bond, debenture or obligation or share, in pursuance of, and in conformity with, such probate, letters of administration or other such document aforesaid."

R. S., 6009,
amended.

10. Article 6009 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: "subscribed stock of the company represented", in the second and third lines of paragraph 1 thereof, by the words: "shares represented by the shareholders present".

R. S., 6024f,
am.

11. Article 6024f of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by adding the following paragraph to paragraph 1 thereof:

Sharehold-
ers re-
presented
by proxy.

"Any shareholder represented at a general or special meeting of shareholders by proxy, given according to law or the by-laws of the company, is considered to be present himself at the meeting."

R. S., 6053,
am.

12. Article 6053 of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, and as amended by the act 11 George V, chapter 83, section 3, is further amended by replacing the words: "subscribed capital stock represented", in the fifth and sixth lines of the first paragraph thereof, by the words: "shares represented by the shareholders present".

R. S., 6054c,
am.

13. Article 6054c of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, and as amended by the act 11 George V, chapter 83, section 4, is further amended:

a. By replacing paragraph 1 thereof, by the following:

Powers of
directors.

"**6054c.** 1. The directors of the company may make by-laws for:

a. the creating and issuing of any part of the capital stock as preferred stock;

b. the conversion of preferred stock into ordinary stock or any class of shares into any other class.";

b. By replacing paragraph 3 thereof, by the following paragraph:

"3. No such by-law shall have any force or effect until after it has been approved by the vote of at least three-fourths in value of the shares represented by the shareholders present at a general meeting of the company, duly called for considering the same, and sanctioned by the Lieutenant-Governor.";

Conditions precedent to effect of by-law.

c. By repealing paragraph 4 thereof.

14. Article 6054*i* of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: "votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company", in the fourth and fifth lines thereof, by the words: "vote of at least two-thirds in value of the shares represented by the shareholders present".

R. S., 6054*i*, am.

15. The Revised Statutes, 1909, are amended by inserting therein, after article 6056*d*, as enacted by the act 10 George V, chapter 72, section 1, the following article:

R.S., 6056*da*, added.

"6056*da*. 1. If a transmission of shares or other securities of a company takes place by virtue of any testamentary act or instrument, or in consequence of an intestacy, and if the probate of the will or of the testamentary act or instrument, or the letters of administration, or other judicial or official instrument, under which the title, whether as beneficiary or trustee, or the administration of the personal estate of the deceased is claimed to vest, purports to be granted by any court or competent authority of the Dominion of Canada, or of Great Britain or Ireland, or of any other of His Majesty's dominions, or of any foreign country, the probate of the said will, or the said letters of administration, or the said other judicial or official instrument or an authenticated copy thereof or official extract therefrom, shall, together with a declaration in writing showing the nature of such transmission and signed and executed by the person or persons claiming by virtue thereof, be produced and deposited with the manager, secretary, treasurer, or other officer of the company named by the directors for the purpose of receiving the same.

Transmission of shares, and production of documents therefor.

2. Such production and deposit shall be sufficient authority to the directors, subject to the prescriptions of the law of the Province respecting succession duties, for paying the amount or value of any dividend, coupon, bond, debenture, or obligation or share, or transferring, or consenting to the transfer of any bond, debenture or obligation or sha-

Production, sufficient authority for paying.

re, in pursuance of, and in conformity with, such probate, letters of administration or other such document aforesaid."

R. S., 6056f, am. **16.** Article 6056f of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by replacing the words: "subscribed stock of the company represented", in the second and third lines of paragraph 1 thereof, by the words: "shares represented by the shareholders present".

R. S., 6065f, am. **17.** Article 6065f of the Revised Statutes, 1909, as enacted by the act 10 George V, chapter 72, section 1, is amended by adding the following paragraph to paragraph 1 thereof:
Shareholders, represented by proxy. "Any shareholder represented at a general or special meeting of shareholders by proxy, given according to law or the by-laws of the company, is considered to be present himself at the meeting."

Coming into force. **18.** This act shall come into force on the day of its sanction.

CHAP. 67

An Act to amend the act respecting the issue and sale of shares, bonds and other securities

[Assented to, the 3rd of April, 1925]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

R. S., 6119f, am. **1.** Sub-paragraph *b* of paragraph 3 of article 6119f of the Revised Statutes, 1909, as enacted by the act 14 George V, chapter 64, section 1, is replaced by the following:

Where not applicable. "b. The issue of shares and bonds by any company in favour of its shareholders or bondholders, or in favour of its promotors, or of those whom they represent or for whom they act, as dividends or as division of profits or upon a reorganization or upon any new issue whatsoever, nor to the issue of shares by a company, as partial or total payment, for the acquisition of moveable or immoveable property, nor to the sale of shares or bonds made judicially or by an executor, an administrator, a sequestrator, an official receiver, a guardian, or a trustee appointed under judgment of a court."

Coming into force. **2.** This act shall come into force on the day of its sanction.