

Approval of "Any by-law ordering or authorizing a loan under this  
loan by-law, section must first be approved by the Lieutenant-Governor  
by Lt-Gov. in Council."  
in C.

Id., s. 27, am. **7.** Section 27 of the said act is amended by inserting therein, after the word: "approval", in the third line thereof, the words: "but which must be approved by the Lieutenant-Governor in Council".

Coming into force. **8.** This act shall come into force on the day of its sanction.

## C H A P. 72

### An Act respecting certain companies and corporations

[Assented to, 14th of February, 1920]

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

R. S., 5957 to 6090, etc., replaced. **1.** Sections I and II of chapter third of title eleventh of the Revised Statutes, 1909, (articles 5957 to 6090 inclusive, and the forms A, B, C, D and E, following article 6090 of such statutes, as well as the amendments from time to time made thereto) are replaced as follows:

#### "SECTION I

### " CERTAIN COMPANIES AND CORPORATIONS

#### SHORT TITLE AND GENERAL PROVISIONS

Short title. **"5957.** This section may be cited as "The Quebec Companies' Act, 1920".

Substitute to sign for Lt.-Gov. **"5957a.** The Lieutenant-Governor may appoint under his hand and seal, for such term as he thinks fit, a competent person to sign any document that he is authorized to sign under any provision of this section. The writing by which such appointment is made must be filed in the department of the Provincial Secretary and Registrar, to form part of the archives of that department.

## "PART I

"INCORPORATION OF JOINT STOCK COMPANIES BY  
LETTERS PATENT"§ 1.—*Interpretation*

"**5958.** In this Part, and in all letters patent and supplementary letters patent issued under it, as well as in all regulations made by the Lieutenant-Governor in Council, or by-laws made by the companies themselves, unless the context otherwise requires,—

a. the word "company" means any company to which this Part applies;

b. the word "undertaking" means the business of every kind which the company is authorized to carry on;

c. the word "shareholder" means every subscriber to or holder of stock in the company, and includes the representatives of the shareholder;

d. the word "manager" includes also the cashier, the secretary, the treasurer and the secretary-treasurer;

e. the word "debentures" includes also bonds and debenture-stock.

"§ 2.—*Application of Part I*

"**5959.** 1. This Part shall apply,—

a. to every company incorporated under it;

b. to every presently existing company incorporated by letters patent under any law of this Province at any date whatsoever before the coming into force of this Part for any purpose other than the business of insurance or trust business;

c. to every presently existing company incorporated under any special or general act, and which has subsequently obtained letters patent authorizing it to carry on business under the purview of the act 7 Edward VII, chapter 48, or articles 6002 to 6090 of the Revised Statutes, 1909;

d. to every corporation incorporated without share capital under the provisions of Part III of this section, or under a general or special act, and which, after the creation of a capital divided into shares, obtains supplementary letters patent under the provisions of this Part.

2. If it is necessary for the proper working of any joint stock company created under an act prior to the coming into force of this Part, that amendments be made to its

Interpreta-  
tion."Com-  
pany";"Under-  
taking";"Share-  
holder";

"Manager";

"Debent-  
ures".Application  
of Part I.Supplemen-  
tary letters  
patent.

charter, the Lieutenant-Governor may issue supplementary letters patent amending the charter of such company, which letters patent shall be granted on the petition of the president and secretary of the company, accompanied by a resolution of the board of directors authorizing the application. The Provincial Secretary shall give notice thereof by one insertion in the *Quebec Official Gazette*, in the form A.

“§ 3.—*Preliminaries*

Preliminaries.

“**5960.** The provisions of this Part relating to matters preliminary to the issue of the letters patent or supplementary letters patent, shall be deemed directory only, and no letters patent or supplementary letters patent issued under this Part shall be held void or voidable on account of any irregularity in respect of any matter preliminary to the issue of the letters patent or supplementary letters patent.

“§ 4.—*Formation of New Companies*

Incorporation of companies by letters patent.

“**5961.** The Lieutenant-Governor may, by letters patent under the Great Seal, grant a charter to any number of persons, not less than three, who petition therefor, constituting such persons, and others who have become subscribers to the memorandum of agreement hereinafter mentioned and who thereafter become shareholders in the company thereby created, a corporation, for any of the purposes or objects to which the legislative authority of the Province extends, except the construction and working of railways, the business of insurance or the transaction of trust business.

Exception.

Petition for letters patent.

“**5962.** The petitioners, who must be of the full age of twenty-one years, shall file in the Department of the Provincial Secretary a petition setting forth the following particulars:

Name.

*a.* The proposed corporate name of the company, which shall not be that of any other known company, incorporated or unincorporated, unless with the consent of the latter, or any name liable to be confounded therewith, or otherwise, on public grounds, objectionable;

Purposes.

*b.* The purpose or purposes for which its incorporation is sought;

Head office.

*c.* The place within the Province where its head office is to be situated;

Capital

*d.* The proposed amount of its capital stock;

Shares.

*e.* The number of shares and the amount of each share;

f. The names in full and the address and calling of each of the petitioners, with special mention of the names of not less than three of their number, who are to be the first or provisional directors of the company; Name, etc. of petitioners.

g. The amount of stock taken by each petitioner. Stock taken.

**“5963.** The petition may ask for the embodying in the letters patent of any provision which, under this Part, might be made by by-law of the company or by by-law of the directors approved by a vote of the shareholders; and such provision so embodied shall not, unless provision to the contrary is made in the letters patent, be subject to repeal or alteration by by-law. Certain provisions that may be embodied in letters patent.

The petition shall be accompanied by a memorandum of agreement, in duplicate, both of which may be drafted in accordance with the forms B and C. Memorandum of agreement.

Before the letters patent are issued, the petitioners shall establish, to the satisfaction of the Provincial Secretary, the sufficiency of their petition and memorandum of agreement and the truth and sufficiency of the facts therein set forth, and that the proposed name is not the name of any other known incorporated or unincorporated company, unless with the consent of the latter, or any name likely to be confounded therewith; and for that purpose the Provincial Secretary shall take and keep of record any requisite evidence in writing by oath or affirmation. Proof of facts, etc. Name not to be that of another company, etc.

**“5964.** The letters patent shall recite such of the established averments in the petition and memorandum of agreement as the Provincial Secretary thinks proper. Facts to be recited in letters patent.

**“5965.** The Lieutenant-Governor may give to the company a name different from that proposed by the petitioners if the proposed name is objectionable. Another name may be given.

**“5966.** Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form D; and, subject to such publication, but counting from the date of the letters patent, the persons therein named, and such persons as have become subscribers to the memorandum of agreement or who thereafter become shareholders in the company, shall be a corporation, by the name mentioned in the letters patent. Notice of issuing of letters patent. Incorporation.

**“5967.** Whenever the letters patent contain any misnomer, mis-description or other clerical error, the Provincial Secretary may, if there is no adverse claim, direct Correction or re-issue of letters patent.

such letters patent to be corrected or to be cancelled, and correct ones to be issued in their stead.

Effect thereof.

The new or corrected letters patent shall have the same effect as if correctly issued at the date of the original letters patent, and acquired rights of third persons shall not be affected by such correction or re-issue.

Notice of correction or re-issue.

Notice of the correction of such letters patent or of the issue of new letters patent, shall forthwith be given by the Provincial Secretary in the *Quebec Official Gazette*, in the form E.

“ § 5.—*Companies having shares without any nominal or par value*

Issue of shares without nominal or par value.

“**5967a.** 1. The letters patent, and, later, the supplementary letters patent, may provide for the issue of the shares without any nominal or par value, except in the case of preferred stock having a preference as to principal; and

Statement as to preferred stock.

*a.* If such preferred stock or any part thereof has a preference as to principal, the letters patent shall state the amount of such preferred stock having such preference, the particular character of such preference, and the amount of each share thereof, which shall be five dollars or some multiple of five dollars, but not more than one hundred dollars; and

Statement as to capital.

*b.* The letters patent shall set out the amount of capital with which the company will carry on business, which amount shall be not less than the amount of preferred stock, if any, authorized to be issued with a preference as to principal, and in addition thereto a sum equivalent to five dollars or to some multiple of five dollars for every share authorized to be issued other than such preferred stock; but in no event shall the amount of such capital be less than five hundred dollars.

Such statements to be in lieu of statements as to amount of stock or number of shares.

2. The statement referred to in paragraph 1 of this article, respecting shares without nominal or par value, contained in the letters patent, shall be in lieu of any statement prescribed by this Part as to the amount of the capital stock or the number of shares into which the same shall be divided, or the amount or the par value of such shares.

Equality of shares.

3. Each share of the capital stock without nominal or par value shall be equal to every other share of the capital stock, subject to the preferences given to the preferred shares, if any, authorized to be issued. Every certificate of shares without nominal or par value shall have plainly

written or printed upon its face the number of such shares which it represents, and the number of such shares which the company is authorized to issue, and no such certificate shall express any nominal or par value of such shares. The certificates of preferred shares having a preference as to principal shall state briefly the amount which the holder of any of such preferred shares shall be entitled to receive on account of principal from the surplus assets of the company in preference to the holders of other shares, and shall state briefly any other rights or preferences given to the holders of such shares.

4. The issue and allotment of shares authorized by this section, other than shares of preferred stock having a preference as to principal, may be made for such consideration as may be prescribed in the letters patent, or as may be fixed by the board of directors pursuant to authority conferred in the letters patent, or, if the letters patent do not so provide, 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. Every share issued as permitted by this article shall be deemed fully paid and non-assessable, and the holder of any such share shall not be liable to the company or to its creditors in respect thereof.

Shares to be allotted at price fixed by board of directors or letters patent, etc.

5. A company to which this article applies shall not begin to carry on business nor incur any debts until the amount of capital stated in the letters patent has been fully paid. In case the amount of capital stated in the letters patent is increased as provided by this Part, such company shall not increase the amount of its indebtedness then existing until such increase of its stated capital has been issued and paid for. Any of the directors of the company who assent to the creation of any debt in violation of this article shall be liable jointly and severally for such debt; but no action shall be brought against any such director unless within one year after the debt has been incurred the creditor has served upon the director written notice of intention to hold him personally liable for such debt.

Commencement of business; authorized debts.

6. A company to which this article applies shall not be subject to article 5972.

7. A company to which this article applies shall not declare any dividend which reduces the amount of its capital below the amount stated in the letters patent or supplementary letters patent as the amount of capital with which the company will carry on business. 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, or who were not present when such 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.

“§ 6.—*Existing Companies*

Existing  
company  
may appl  
for charte  
under Part 1

“**5967b.** 1. Any company heretofore incorporated for any purpose or object for which letters patent may be issued under this Part, whether under a special or a general act of this Province, other than the act 31 Victoria, chapter 25, or the joint stock companies' incorporation act, being articles 4694 to 4753, inclusive, of the Revised Statutes, 1888, or the act 7 Edward VII, chapter 48, or the Quebec Companies' Act, being articles 6002 to 6090, inclusive, of the Revised Statutes, 1909, and amendments thereto, and now being a subsisting and valid corporation, may apply for letters patent to carry on its business under this Part; and the Lieutenant-Governor may direct the issue of letters patent incorporating the shareholders of the said company as a company under this Part.

Share-  
holders'  
names need  
not be stat-  
ed.

2. It shall not be necessary in any such letters patent to set out the names of the shareholders.

Notice.

3. Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form F.

Transfer of  
assets, etc.,  
to new  
company.

4. Subject to such publication, but counting from the issue of such letters patent, all the rights, property and obligations of the former company shall be and become transferred to the new company, and all proceedings may be commenced or continued by or against the new company that might have been commenced or continued by or against the old company.

Company  
governed by  
this Part.

5. The company shall thereafter be governed in all respects by the provisions of this Part, except that the liability of the shareholders to creditors of the old company shall remain as at the time of the issue of the letters patent.

Existing  
companies  
may ask for  
extended  
powers.

“**5967c.** If an existing company applies for the issue of letters patent under this Part the Lieutenant-Governor may, by the letters patent, extend the powers of the company to such other objects for which letters patent may be issued under this Part as the applicant desires, and as the Lieutenant-Governor thinks fit to include in the letters patent.

**“5967d.** The Lieutenant-Governor may in any letters patent issued under this Part to any existing company name the first directors of the new company, and the letters patent may be issued to the new company by the name of the old company or by another name.

Letters patent may name first directors.  
Name.

**“5967e.** A corporation without share capital incorporated under Part III of this section or under any other special or general act of this Province, may, with the consent in writing of at least four-fifths of its members, provide by by-law for the creation of a capital divided into shares and for the allotment and payment of such shares, and may fix and prescribe the rights and privileges of the shareholders. Such by-law shall be forthwith transmitted to the Provincial Secretary to be confirmed by letters patent or by supplementary letters patent; and the latter shall give notice thereof, by one insertion in the *Quebec Official Gazette*, in the Form G.

Corporation without share capital may by by-law provide for creation of share capital.  
Letters patent.

Subject to the publication of such notice, but counting from the issue of the letters patent or supplementary letters patent, the corporation shall cease to be governed by the provisions of Part III, and shall in every respect be subject to the provisions of this Part.

Company to be governed by provisions of Part I.

In the case of a corporation incorporated under any general or special act, the by-law must, moreover, if not so provided in its charter of incorporation, contain all the declarations contained in article 5962.

Contents of by-law.

### “ § 7.—*Amalgamation of Companies*

**5967f.** 1. Any two or more companies to which this Part applies, having the same or similar objects, may, in the manner herein provided, amalgamate, and may enter into all contracts and agreements necessary to such amalgamation.

Amalgamation of companies.

2. The companies proposing to amalgamate may enter into a joint agreement for such amalgamation, prescribing the terms and conditions thereof, the mode of carrying the same into effect, and stating the name of the new company, the names, callings and places of residence of the provisional directors thereof, and how and when the subsequent directors shall be elected, with such other details as may be necessary to perfect the amalgamation and to provide for the subsequent management and working of the new company, and the number of shares of the capital, the par value of each share, and the manner of converting the share capital of each of the companies into that of the new company.

Joint agreement between directors proposing to amalgamate.

Submission to shareholders.

3. The agreement shall be submitted to the shareholders of each of the companies at a general meeting thereof called for the purpose of taking the same into consideration.

Consideration of agreement and certificate of adoption.

4. At such meeting of shareholders the agreement shall be considered, and if two-thirds of the votes of all the shareholders of each of such companies are for the adoption of the agreement, that fact shall be certified upon the agreement by the secretary of each of such companies under the corporate seal thereof.

Petition for confirmation by letters patent.

5. Thereupon the amalgamating companies by their joint petition may apply to the Lieutenant-Governor for letters patent confirming the agreement; if such application is granted, notice thereof shall be given by the Provincial Secretary by one insertion in the *Quebec Official Gazette*, in the form H; and, subject to such notice, but counting from the date of the letters patent, the companies shall be deemed to be amalgamated and to form one corporation by the name in the letters patent provided, and the company so incorporated shall possess all the property, rights, privileges and franchises and be subject to all the liabilities, contracts, disabilities and duties of each of the companies so amalgamated.

Rights of creditors preserved.

6. All rights of creditors against the property, rights and assets of a company amalgamated or re-incorporated under the provisions of this Part, and all liens upon its property, rights and assets, shall be unimpaired by such amalgamation, or re-incorporation, and all debts, contracts, liabilities and duties of such company, shall thenceforth attach to the new re-incorporated company, and may be enforced against it to the same extent as if such debts, contracts, liabilities and duties had been incurred or contracted by it.

“ § 8.—*Change of Name*

Lieutenant-Governor may change name.

“**5968.** If it is made to appear, to the satisfaction of the Provincial Secretary, that the name of a company (whether given by the original or by supplementary letters patent, or on amalgamation) is the same as the name of an existing incorporated or unincorporated company, unless with the consent of the latter, or so similar thereto as to be liable to be confounded therewith, or otherwise on public grounds objectionable, the Lieutenant-Governor may direct the issue of supplementary letters patent, reciting the former letters and changing the name of the company to some other name which shall be set forth in the supplementary letters patent. Notice of the granting of the supplementary letters patent shall be given forthwith by the Provin-

Notice of supplementary letters patent.

cial Secretary by one insertion in the *Quebec Official Gazette*, in the Form I.

**“5969.** When a company desires to adopt another name, the Lieutenant-Governor, upon being satisfied that the change desired is not for any improper purpose, may direct the issue of supplementary letters patent, reciting the former letters patent and changing the name of the company to some other name, which shall be set forth in the supplementary letters patent.

Company may obtain change of name.

**“5970.** No alteration of its name under article 5968 or 5969 shall affect the rights or obligations of the company; and all proceedings may be commenced or continued by or against the company under its new name that might have been commenced or continued by or against the company under its former name.

Change not to affect rights, etc.

**“ § 9.—***Tariff of fees and registration of letters patent*

**“5971. 1.** The Lieutenant-Governor in Council may, from time to time, establish, alter, replace or repeal the tariff of the duties and fees to be paid on application for letters patent and supplementary letters patent, as well as for every act to be done by the Provincial Secretary, by the department over which he presides, or by an officer of such department, as well as by the Lieutenant-Governor or by any person whomsoever, under this Part.

Fees on letters patent, etc.

2. The amount of the fees may be varied according to the nature of the company, the amount of the capital stock and other particulars, as the Lieutenant-Governor in Council thinks fit.

Amount of fees may be varied.

3. The letters patent or supplementary letters patent issued under this Part shall not be delivered until after all duties and fees payable thereon are duly paid.

Fees must be paid before delivery of letters patent.

4. The Lieutenant-Governor in Council may likewise prescribe, from time to time, the manner in which letters patent and supplementary letters patent shall be registered, and may determine all other matters and prescribe all formalities necessary to ensure the carrying out of the objects of this Part.

Regulations by Lt. Gov. in C.

**“ § 10.—***Commencement of Business*

**“5972.** The company shall not commence its operations or incur any liability before ten per cent of its authorized capital has been subscribed and paid for.

When company may commence business.

Every director who expressly or impliedly authorizes

Liability of directors for contravention.

the operations of the company being so commenced or liabilities being so incurred, shall be jointly and severally liable with the company for the payment of such liabilities.

Valuable consideration to suffice.

Nevertheless, the adoption by a company of the resolutions and other measures necessary for the acquisition of any moveable or immovable property, right, contract or franchise, in consideration, either altogether or in part only, of shares issued by such company, shall suffice, if the value of such property, or of such right, contract or franchise, is at least equal to the amount which must be subscribed and paid up before the company may commence its operations, and if such acquisition is actually made.

“ § 11.—*Forfeiture of Charter*

Forfeiture of charter for non-user.

“**5973.** Unless another delay be specified in the letters patent incorporating a company, the charter of the company shall be forfeited *de jure* by non-user during three consecutive years, or if the company does not go into actual operation within three years after it is granted.

“ § 12.—*Surrender of Charter*

Surrender of charter.

“**5973a.** 1. The charter of a company incorporated by letters patent may be surrendered if the company proves to the satisfaction of the Lieutenant-Governor,—

Conditions.

- a. that it has no debts or obligations; or
- b. that it has parted with its property, divided its assets rateably amongst its shareholders or members and has no debts or liabilities; or
- c. that the debts and obligations of the company have been duly provided for or protected, or that the creditors of the corporation or their assignees consent; and
- d. that the company has given notice of the application for leave to surrender by publishing the same once in the *Quebec Official Gazette* and once in a newspaper published in the French language and once in a newspaper published in the English language at or as near as may be to the place where the company has its head office.

Lt. Gov. in C. may accept notice and cancel charter.

Notice of dissolution.

2. The Lieutenant-Governor in Council, upon a due compliance with the provisions of this Part, may accept a surrender of the charter and direct its cancellation, and fix a date upon and from which the company shall be dissolved. Notice of such dissolution shall be given by the Provincial Secretary by one insertion in the *Quebec Official*

Gazette, in the Form J, and the company shall thereupon become dissolved from and after the date fixed.

“ § 13. *General Powers and Duties of the Company*

“**5974.** All powers given to the company by the letters patent or supplementary letters patent, shall be exercised subject to the provisions and restrictions contained in this Part. Powers to be subject to this Part.

“**5975.** The company may acquire and hold moveable and immoveable property requisite for the carrying on of its undertaking, may sell and alienate such property, both moveable and immoveable, and hypothecate the latter, and shall forthwith become and be vested with all property and rights, moveable and immoveable, held for it up to the date of the letters patent, under any trust created with a view to its incorporation, and with all the powers, privileges and immunities requisite or incidental to the carrying on of its undertaking. General corporate powers.

“**5976.** The company shall, at all times, have an office in the place in which its chief place of business is situated, which shall be the legal domicile of the company; and notice of the situation of such office and of any change therein shall be published in the *Quebec Official Gazette* in the form K. Head office of the company.

The company may establish such other offices and agencies elsewhere as it deems expedient. Other offices.

“**5977.** Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or indorsed, and every promissory note and cheque made, drawn or indorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any by-law, resolution or special order; and the person so acting as agent, officer or servant of the company shall not be thereby subjected individually to any liability whatsoever to any third person therefor; provided always that nothing in this Part shall authorize the company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as a bank-note. Contracts, etc., when binding on company. No individual liability. Proviso.

“ § 14.—*Obtaining of further Powers or a restriction of powers*

Company may authorize directors to apply for:

“**5978.** The company may, from time to time, by a resolution passed by the votes of shareholders representing at least two-thirds in value of the subscribed stock of the company, at a special general meeting called for the purpose, authorize the directors to apply for supplementary letters patent,—

Extended powers; or

*a.* extending the powers of the company to such further or other purposes or objects for which a company may be incorporated under this Part, as set out in such resolution; or

Restricted or amended powers.

*b.* reducing, amending or varying such powers, or any provisions of the letters patent or supplementary letters patent, in the manner set out in such resolution.

Application for supplementary letters patent.

“**5979.** The directors may, at any time within six months after the passing of any such resolution, apply to the Lieutenant-Governor for the issue of such supplementary letters patent to confirm it.

Proof to be furnished.

“**5980.** Before such supplementary letters patent are issued, the petitioners shall establish, to the satisfaction of the Provincial Secretary, the due passing of the resolution authorizing the petition, and for that purpose the Provincial Secretary shall take and keep of record any requisite evidence in writing by oath or affirmation.

Grant of supplementary letters patent.

“**5981.** Upon due proof so made, the Lieutenant-Governor may grant supplementary letters patent extending the powers of the company to all or any of the objects set out in the resolution, or reducing, amending or varying such powers, according to the tenor of the resolution; and notice thereof shall be forthwith given by the Provincial Secretary, in the *Quebec Official Gazette*, according to form L; and, after such publication, but counting from the date of the supplementary letters patent, the undertaking of the company shall extend to and include such other purposes or objects, or such powers shall be reduced, amended or varied, according to the tenor of the supplementary letters patent, as fully as if such other purposes or objects were mentioned in the letters patent or the charter by which the company was incorporated.

Notice.

“ § 15.—*Liability of Shareholders*

Liability limited to amount

“**5982.** The shareholders of the company shall not, as such, be responsible for any act, default or liability of the

company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the company, beyond the amount unpaid on their respective shares in the capital stock thereof.

**“5983.** No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee of or for any person named in the books of the company as being so represented by him, shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner, and to the same extent, as the testator or intestate, or the minor, ward or interdicted person, or the person interested in such trust fund would be, if living and competent to act and holding such stock in his own name; and no person holding such stock as collateral security shall be personally subject to such liability, but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

**“5984.** Every such executor, administrator, tutor, curator, guardian or trustee, shall represent the stock held by him, at all meetings of the company, and may vote thereon as a shareholder; and every person who pledges his stock may represent the same at all such meetings, and, notwithstanding such pledge, vote thereon as a shareholder.

**“§ 16.— *Holding Stock of other Companies***

**“5985.** The company shall not use any of its funds in the purchase of stock in any other company unless and until the directors have been expressly authorized by a by-law passed by them for the purpose and sanctioned by a vote of not less than two-thirds in value of the capital stock represented at a general meeting of the company duly called for considering the subject of the by-law; but if the letters patent authorize such purchase it shall not be necessary to pass such by-law.

This article shall not apply to a company incorporated for the purpose of carrying on the business of buying, selling or dealing in shares, as to shares bought with the intention of reselling them.

**“§ 17.— *Capital Stock***

**“5986.** Subscriptions for stock must be paid in cash, unless payment therefor in some other manner has been agreed upon by a contract filed with the Provincial Secret-

- Exception. ary at or before the issue of such shares or within thirty days thereof.
- Annual report of paid-up stock. The amount of paid-up capital, from year to year, shall be published annually in a report to the shareholders.
- Stock to be moveable property. **"5987.** The stock of the company shall be moveable property, and shall be transferable, in such manner, and subject to all such conditions and restrictions, as are prescribed by this section or by the letters patent or by-laws of the company.
- How transferable.
- Allotment of stock. **"5988.** If the letters patent, or the supplementary letters patent, make no other definite provision, the stock of the company, or any increased amount thereof, so far as it is not allotted thereby, shall be allotted at such times and in such manner as the directors, by by-law, may order.
- Preferred stock. **"5989.** 1. The directors of the company may make by-laws for creating and issuing any part of the capital stock as preferred stock.
- What by-law may contain. 2. Any such by-law may give such preferred stock such preference and priority, as respects principal, dividends, or in any other respect, over common stock, as in such by-law declared; or may limit the right of the holders thereof to specific dividends, profits or repayments; or may provide that the holders of such shares shall have the right to select a certain stated proportion of the board of directors, or that they shall have greater or less control over the affairs of the company than the holders of common stock, which control shall be stated in the by-law; or may restrict or extend the rights of holders of such shares in any other way not contrary to law or to these provisions; or may provide for the purchase of such shares by the company in the manner set forth in the by-law.
- Rights, privileges and restrictions to be set out on certificate; otherwise non-existent. The provisions of any by-law granting rights or privileges to the holders of such shares, or restricting those conferred upon them by law, shall be set out at length in the certificate of such shares, and, if not so set out, such rights, privileges and restrictions shall be deemed non-existent.
- Conditions precedent to effect of by-law. 3. No such by-law shall have any force or effect until after it has been approved by a vote of at least three-fourths of the shareholders, present in person or by proxy at a general meeting of the company duly called for considering the same, and representing at least two-thirds of the stock of the company, and sanctioned by the Lieutenant-Governor.
- Notice must 4. Whenever the total amount of the purchase or pur-

chases of preferred stock made in accordance with a by-law be given  
 passed in virtue of this article reaches or exceeds ten per when shares  
 cent of the capital stock of the company, notice thereof purchased  
 must be given to the Provincial Secretary within the thirty by company  
 days following the date when such purchase or purchases reach 10%  
 reached or exceeded such amount. of capital.

Such notice must be published forthwith by the Pro- Publication  
 vincial Secretary, at the expense of the company, in the of notice.  
*Quebec Official Gazette* and in two newspapers, one published  
 in the French and the other in the English language in the  
 locality where the company has its head office, or, if there  
 be none published in that locality, then in newspapers  
 published in the place nearest thereto.

Failure to comply with this provision shall render the Penalty for  
 company liable, in addition to the costs, to a fine of one failure to  
 hundred dollars for each day that such failure to send such comply.  
 notice to the Provincial Secretary continues.

5. Holders of shares of such preferred stock shall be Rights of  
 shareholders, and shall in all respects possess the rights holders of  
 and be subject to the liabilities of shareholders within the preferred  
 meaning of this Part; subject, however, to the provisions stock.  
 of the by-law respecting the rights, privileges and restrictions  
 therein mentioned.

6. No preference or priority given to the holders of Creditors  
 preferred stock under this article shall in any way affect not affected.  
 the rights of creditors of any company.

**“5990.** The company shall not be bound to see to the Company  
 execution of any trust, whether express, implied or con- not bound  
 structive, in respect of any share; and the receipt of the to see to  
 shareholder in whose name the same stands in the books of trust.  
 of the company shall be a valid and binding discharge  
 to the company for any dividend or money payable in respect  
 of such share, and whether or not notice of such trust has  
 been given to the company; and the company shall not be  
 bound to see to the application of the money paid upon  
 such receipt.

“§ 18.—*Share certificates*

**“5991.** 1. Every shareholder shall, without payment, Share  
 be entitled to a certificate under the common seal of the certificate.  
 company, stating the number of shares held by him and  
 the amount paid up thereon; but, in respect of a share or  
 shares held jointly by several persons, the company shall  
 not be bound to issue more than one certificate.

2. The certificate shall be *prima facie* evidence of title Evidence of  
 of the shareholder to the shares mentioned in it. title.

Lost  
certificate.

“**5991a.** If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding twenty-five cents, and on such terms, if any, as to evidence and indemnity as the directors think fit.

Issue and  
effect of  
share  
warrants.

“**5991b.** 1. A company, if so authorized by its letters patent or supplementary letters patent, and subject to the provisions thereof, may, with respect to any fully paid-up shares, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the share or shares therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the share or shares included in the warrant hereafter termed a share warrant.

Rights of  
bearer.

2. A share warrant shall entitle the bearer thereof to the shares therein specified, and the shares may be transferred by delivery of the warrant.

Bearer to be  
share-  
holder on  
surrender of  
warrant.

3. The bearer of a share warrant shall, subject to the provisions and regulations respecting share warrants contained in the letters patent or supplementary letters patent, be entitled, on surrendering it for cancellation, to have his name entered on the books of the company as the holder of the shares specified in such share warrant, and the company shall be responsible for any loss incurred by any person by reason of the company entering on the books of the company the name of the bearer of a share warrant in respect of the shares therein specified without the warrant being surrendered and cancelled.

Rights of  
bearer under  
regulations.

4. The bearer of a share warrant may, if the provisions and regulations respecting share warrants so provide, be deemed to be a shareholder of the company either to the full extent or for any purposes defined by such regulations; except that he shall not be qualified in respect of the shares specified in the warrant for being a director of the company.

Entries to  
be made on  
issue of  
share  
warrants.

5. On the issue of a share warrant the company shall remove from its books the name of the shareholder then entered therein as holding such share or shares as if he had ceased to be a shareholder, and shall enter in such books the following particulars, namely:

- a. the fact of the issue of the warrant;
- b. a statement of the shares included in the warrant;  
and
- c. the date of the issue of the warrant.

Surrender of  
warrant.

6. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Part to be entered in the books of the company in respect of such

share or shares, and, on the surrender, the date of the surrender shall be entered as if it were the date at which a person ceased to be a shareholder.

7. Unless the bearer of a share warrant is entitled to attend and vote at general meetings, the shares represented by such share warrant shall not be counted as part of the stock of the company for the purposes of a general meeting.

Bearer of share warrant not entitled to vote as such.

“§ 19.—*Increase and Reduction of Capital, and alteration in the value of shares*

“**5992.** 1. The directors of the company may, at any time, make a by-law subdividing the existing shares into shares of a smaller amount.

Subdivision of shares.

2. The directors may also, at any time, whenever the par value of the existing shares of the company is less than one hundred dollars each, make a by-law consolidating them into shares of a greater par value; but no such consolidated share shall exceed the par value of one hundred dollars.

Consolidation of shares.

3. For the purpose of such consolidation, the company may purchase fractions of shares, and the company shall sell any such shares held by them, within a delay of two years.

Purchase of fractional shares for consolidation.

“**5993.** 1. The directors may, at any time after ninety per cent of the capital stock of the company has been taken up and fifty per cent thereon paid in, make a by-law for increasing the capital stock to any amount which they consider requisite for the due carrying out of the objects of the company.

Increase of capital.

2. Such by-law shall declare the number of the shares of such new stock, and may prescribe the manner in which the same shall be allotted; and in default of its so doing, the control of such allotment shall vest absolutely in the directors.

By-laws therefor.

“**5994.** A company may by by-law reduce its share capital in any way, and in particular, without prejudice to the generality of the foregoing power, may:

By-law for reduction of share capital.

- a. extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
- b. either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or
- c. either with or without extinguishing or reducing

liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company;  
and may reduce the amount of its share capital and of its shares accordingly.

Objections  
by creditors.

**“5994a.** 1. Where the proposed reduction of share capital involves either extinction or diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, and in any other case if the Provincial Secretary so directs, every creditor of the company who at the date of the petition for supplementary letters patent, is entitled to any debt or claim which, if that date were the commencement of the winding-up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

Settlement  
of list of  
creditors  
entitled to  
object.

2. The Provincial Secretary shall settle a list of creditors so entitled to object, and for that purpose shall ascertain the names of those creditors and the nature and amount of their debts or claims. He may thereupon publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

Prov. Sec.  
may dis-  
pense with  
consent of  
creditor on  
certain  
conditions.

3. Where a creditor entered on the list does not consent to the reduction, the Provincial Secretary may, if he thinks fit, dispense with the consent of that creditor, on the company paying to the creditor his debt or claim in one of the ways hereafter mentioned, as the Provincial Secretary may direct, to wit:

- a. If the company admits the full amount of his debt or claim, or, though not admitting it, is willing to pay it, then the full amount of the debt or claim;
- b. If the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Provincial Secretary after the like inquiry and adjudication as if the company were being wound up.

Liability of  
share-  
holders in  
respect of  
reduced  
shares.

**“5994b.** 1. A shareholder of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference, if any, between the amount paid, or, as the case may be, the reduced amount, if any, which is to be deemed to have been paid, on the share, and the amount of the share as fixed by the supplementary letters patent:

Provided that if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for reduction, or of their nature and effect with respect to his claim, not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions respecting the winding up of companies, to pay the amount of his debt or claim, then,—

*a.* every person who was a shareholder of the company at the date of the supplementary letters patent shall be liable to contribute for the payment of that debt or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before the date of the supplementary letters patent; and

*b.* if the company is wound up, the court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding-up.

2. Nothing in this article shall affect the rights of the contributories among themselves, nor the recourse of any creditor against the company or the shareholders,

Rights among themselves not affected.

**“5994c.** Any director, manager, or officer of the company who (*a*) wilfully conceals the name of any creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor; or who (*b*) aids or abets in any such concealment or misrepresentation,—is guilty of an indictable offence and liable to one year’s imprisonment or to a fine not exceeding two hundred dollars, or to both.

Penalty for concealment of name of creditor, etc.

**“5994d.** The Provincial Secretary may require the company to publish, as he directs, the reasons for reduction, or such other information in regard thereto as he may think expedient with a view to give proper information to the public.

Publication of reasons for reduction.

**“5995.** No by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, or consolidating them into shares of a greater par value, shall have any force or effect, until it is approved by the votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company, at a special

Approval and confirmation of by-law.

general meeting of the company, and afterwards confirmed by supplementary letters patent.

Application for supplementary letters patent.

**“5996.** 1. The application for supplementary letters patent to confirm the by-law must be made by the directors not more than six months after the approval of the by-law by the shareholders.

By-law to be produced with application.

2. The directors shall, with such application, produce a copy of such by-law, under the seal of the company, and signed by the president or vice-president and the secretary, and establish, to the satisfaction of the Provincial Secretary, the due passage and approval of such by-law, and the expediency and *bonâ fide* character of the increase or reduction of capital or subdivision or consolidation of shares, as the case may be, thereby provided for.

Evidence to be taken.

3. The Provincial Secretary shall, for that purpose, take and keep of record any requisite evidence in writing, by oath or affirmation.

Grant of supplementary letters patent.

**5997.** Upon proof of the passing and approval of the by-law, the Lieutenant-Governor may grant such supplementary letters patent, and notice thereof shall be forthwith given by the Provincial Secretary in the *Quebec Official Gazette*, according to the form M; and thereupon, from the date of the supplementary letters patent, the capital stock of the company shall be and remain increased or reduced, or the shares shall be subdivided, or consolidated into shares of a greater par value, as the case may be, to the amount, in the manner and subject to the conditions set forth by such by-law; and the whole of the stock, as so increased or reduced, shall become subject to the provisions of this Part, in like manner as if every part thereof had been or formed part of the stock of the company originally subscribed.

Notice to be given.

Effect thereof

“ § 20.—*Calls*

Calls on unpaid shares.

**“5998.** Not less than ten per cent upon the allotted shares of stock of the company shall, by means of one or more calls, be called in and made payable within one year from the incorporation of the company; the residue shall be payable when and as the letters patent, or the provisions of this Part, or the by-laws of the company direct.

Call, when due.

**“5999.** A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed; and if a shareholder fails to pay any call due by him, on or before the day appointed for the payment thereof, he shall be liable to pay interest thereon

at the rate of six per cent per annum, from the day appointed for payment to the time of actual payment thereof.

**“6000.** The directors may, if they think fit, receive from any shareholder willing to advance the same, all or any part of the amounts due on the shares held by such shareholder, beyond the sums then actually called for; and upon the moneys so paid in advance, or so much thereof as, from time to time, exceeds the amount of the call then made upon the shares in respect of which such advance is made, the company may pay interest at such rate, not exceeding eight per cent per annum, as the shareholders who pay such sum in advance and the directors agree upon.

Payment in advance on shares.  
Interest allowable.

**“6001.** If, after such demand or notice as is prescribed by the letters patent, or by resolution of the directors, or by the by-laws of the company, any call made upon any share is not paid within such time as, by such letters patent or by resolution of the directors or by the by-laws, is limited in that behalf, the directors, in their discretion, by vote to that effect duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment has not been made; and the same shall thereupon become the property of the company and may be disposed of as, by the by-laws of the company or otherwise, they prescribe; but, notwithstanding such forfeiture, the holder of such shares at the time of forfeiture shall continue liable to the then creditors of the company for the full amount unpaid on such shares at the time of forfeiture, less any sums which are subsequently received by the company in respect thereof.

Forfeiture of shares for non-payment of calls.  
Proviso.

**“6002.** The directors may, if they see fit, instead of declaring forfeited any share or shares, enforce payment of all calls, and interest thereon, by action in any court of competent jurisdiction; and in such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrears amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this Part.

Enforcement of payment by action.  
What must be alleged and proved.

A certificate under the seal of the company, and purporting to be signed by any of its officers, to the effect that the defendant is a shareholder, that such calls have been made, and that so much is due by him thereon, shall be received in all courts as *primâ facie* evidence to that effect.

Certain certificate to be *primâ facie* proof.

“§ 21.—*Transfer of Shares*

Transfer of shares valid only after transfer in register.

“**6003.** 1. No transfer of shares, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose until entry thereof is duly made in the register of transfers, except for the purpose of exhibiting the rights of the parties thereto towards each other and of rendering the transferee liable in the meantime, jointly and severally with the transferor, to the company and its creditors.

Exception as to listed shares represented by scrip.

2. This article shall not apply to companies whose stock is listed and dealt with on any recognized stock exchange by means of scrip commonly in use, indorsed in blank and transferable by delivery, which shall constitute valid transfers; but the scrip-holder shall not be entitled to vote upon the shares until they are registered in his name in the books of the company.

Liability of directors for transfers in certain cases.

“**6004.** No transfer of shares, whereof the whole amount has not been paid in, shall be made without the consent of the directors; and whenever any transfer of shares not fully paid in has been made, with such consent, to a person who is not apparently of sufficient means to fully pay up such shares, the directors shall be jointly and severally liable to the creditors of the company, in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been; but if any director present when any such transfer is allowed does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and is able so to do, enter on the minute book of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or, if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

How it may be avoided.

Not transferable until calls paid.

“**6005.** No share shall be transferable until all calls payable thereon up to the time of transfer have been fully paid.

Transfer by a debtor of the company.

“**6006.** The directors may decline to register any transfer of shares belonging to any shareholder who is indebted to the company.

Transfer by

“**6007.** Any transfer of the shares or other interest of a

deceased shareholder, made by his representative, shall, notwithstanding such representative is not himself a shareholder, be of the same validity as if he had been a shareholder at the time of his execution of the instrument of transfer.

**“6008.** 1. Whenever the interest in any shares of the capital stock of the company is transmitted by the death of any shareholder or otherwise, or whenever the ownership of any shares or the legal right of possession of the same changes by any lawful means other than by transfer, according to the provisions of this Part, and the directors of the company entertain reasonable doubts as to the legality of any claim to such shares, the company may make and file in the Superior Court in and for the district in which the head office of the company is situated, a petition in writing, addressed to such court or to one of the judges thereof, setting forth the facts and the number of shares previously belonging to the person in whose name such shares stand in the books of the company, and praying for an order or judgment adjudicating and awarding the said shares to the person or persons legally entitled to the same.

2. Notice of the intention to present such petition shall be given to the person claiming such shares, or to the attorney of such person duly authorized for the purpose, who shall, upon the filing of such petition, establish his right to the shares referred to in such petition; and the time to plead and all other proceedings in such cases shall be the same as those observed in analogous cases before the said Superior Court.

3. The costs and expenses incurred in procuring such order or judgment shall be paid by the person or persons to whom such shares are declared lawfully to belong, and such shares shall not be transferred in the books of the company until such costs and expenses are paid,—saving the recourse of such person against any person contesting his right to such shares.

4. The company shall be guided by the order or judgment of the court establishing the right to such shares. Such order or judgment shall hold the company harmless and indemnified and released from every other claim to the said shares or arising in respect thereof.

*“§ 22.—Borrowing Powers, etc.*

**“6009.** 1. If authorized by by-law, sanctioned by a vote of not less than two-thirds in value of the subscribed

stock of the company represented at a general meeting called for considering the by-law, the directors may, from time to time:

- Borrowing;      *a.* borrow money upon the credit of the company;
- Issue debentures, etc.;      *b.* issue debentures or other securities of the company, and pledge or sell the same for such sums and at such prices as may be deemed expedient;
- Hypothecate, mortgage or pledge, to secure debentures, etc.;      *c.* notwithstanding article 2017 of the Civil Code, hypothecate, mortgage or pledge the moveable or immoveable property, present or future, of the company, to secure any such debentures, or other securities, or give part only of such guarantee for such purposes; and constitute the hypothec, mortgage or pledge mentioned in this sub-paragraph, by trust deed, in accordance with articles 6119*b* and 6119*c*, or in any other manner;
- Hypothecate, mortgage or pledge, to secure other loans.      *d.* hypothecate or mortgage the immoveable property of the company, or pledge or otherwise affect the moveable property, or give all such guarantees, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the company.
- Loans on notes, etc.      2. The limitations and restrictions contained in this article shall not apply to the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the company.
- Right of security-holder to copy of trust deed.      “**6009a.** 1. A copy of any trust deed for securing any issue of debentures or other securities of the company shall be forwarded to every holder of any such debenture or other security at his request, on payment in the case of a printed trust deed of the sum of twenty-five cents, or such less sum as may be prescribed by by-law of the company, or, where the trust deed has not been printed, on payment of ten cents for every hundred words required to be copied.
- Penalty for refusal or neglect to furnish copy.      2. If such copy is refused or is not forwarded upon request, the company shall be liable to a fine not exceeding one hundred dollars for such refusal or neglect, and to a further fine not exceeding ten dollars for every day during which the neglect to forward a copy continues; and every director, manager, secretary, or other officer of the company who knowingly authorizes or permits the neglect shall incur the like penalty.

“ § 23.—*Dividends*

“**6010.** 1. No dividend shall be declared which will impair the capital of the company. Dividend not to impair capital.

2. The annual dividend may, however, be supplemented or paid entirely out of the reserve fund. May be paid out of reserve fund.

“**6010a.** The directors may provide that the amount of any dividend that they may lawfully declare shall be paid, in whole or in part, in capital stock of the company, and for that purpose they may authorize the issue of shares of the company as fully paid or partly paid, or may credit the amount of such dividend on the shares of the company already issued but not fully paid, and, in the latter case, the liability of the holders of such shares shall be reduced by the amount of such dividend. Stock dividends.

“**6011.** The directors may deduct from the dividends payable to any shareholder all such sums of money as are due from him to the company, on account of calls or otherwise. Debts due to company may be deducted.

“ § 24.—*Directors and their Powers*

“**6012.** The affairs of the company shall be managed by a board of not less than three directors. Board of directors.

“**6013.** The persons named as such, in the letters patent, shall be the directors of the company, until replaced by others duly appointed in their stead; and, in the absence of other provisions in respect thereof in the letters patent, their number shall be that of the directors to be elected, until otherwise provided in accordance with article 6016. Provisional directors. Number to be the same.

If not so replaced within six months from the date of the incorporation of the company, any of said persons or, if they be not living, their heirs or assigns, may cause a meeting to be held by giving fifteen clear days' notice of the time and place thereof in the *Quebec Official Gazette*, and the said persons, their heirs or assigns, present at such meeting, may pass by-laws, allot stock, and elect directors. Provisions if not replaced within six months.

“**6014.** If, at any time, an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved; but such election may take place at any subsequent general meeting of the company duly called for that purpose; and the retiring directors shall continue in office until their successors are elected. Failure to elect directors at proper time.

- Qualifica-  
tion of  
subsequent  
directors.      “**6015.** No person shall be elected or appointed as a director thereafter unless he is a shareholder, owning stock absolutely in his own right, and to the amount required by the by-laws of the company, and not in arrears in respect of any call thereon.
- Number of  
shares  
required.      In the absence of any provision in that respect in the by-laws, the number of shares necessary as qualification for a director shall be one.
- By-laws to  
increase or  
decrease  
number of  
directors.      “**6016.** The company may, by by-law, increase, or decrease to not less than three, the number of its directors, or may change the company’s head office, provided it be within the Province, but no by-law for either of the said purposes shall be valid or acted upon, unless it is approved by a vote of at least two-thirds in value of the stock represented by the shareholders present at a special general meeting duly called for considering the by-law, nor until a copy of such by-law, certified under the seal of the company, has been deposited with the Provincial Secretary, and has also been published in the *Quebec Official Gazette*.
- Approval of  
by-law.      “**6017.** Directors of the company shall be elected by the shareholders, in general meeting of the company assembled, at some place within the Province, at such times, in such manner and for such term, not exceeding two years, as the letters patent or, if they make no provision therefor, as the by-laws of the company prescribe.
- Publication.      “**6018.** In the absence of other provisions in such behalf, in the letters patent or by-laws of the company,—
- Election of  
directors.      a. the election of directors shall take place yearly, and all the directors then in office shall retire, but, if otherwise qualified, they shall be eligible for re-election;
- Manner and  
times of  
election.      b. every election of directors shall be by ballot;
- Officers.      c. any vacancy occurring in the board of directors may be filled, for the remainder of the term, by the directors, from among the qualified shareholders of the company;
- Indemnifica-  
tion of  
directors in      d. the directors shall, from time to time, elect from among themselves a president and, if they see fit, a vice-president of the company; and may also appoint all other officers thereof.
- “**6019.** Every director of the company may, with the consent of the company, given at any general meeting thereof, from time to time, and at all times, be indemnified

and saved harmless out of the funds of the company, <sup>certain</sup> from and against all costs, charges and expenses which <sup>cases.</sup> he sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing made, done or permitted by him, in or about the execution of the duties of his office; and also from and against all other costs, charges and expenses which he sustains or incurs, in or about or in relation to the affairs thereof,—except such costs, charges or expenses as are occasioned by his own fault.

“**6020.** 1. The directors may administer the affairs of <sup>Powers, etc.,</sup> the company in all things, and make or cause to be made <sup>of directors.</sup> for it, in its name, any kind of contract which it may lawfully enter into.

2. They may, from time to time, make by-laws not con- <sup>By-laws.</sup> trary to law, or to the letters patent of the company, for the following purposes:

- a. the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;
- b. the declaration and payment of dividends;
- c. the number of the directors, their term of service, the amount of their stock qualifications, and their remuneration, if any;
- d. the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company, and their remuneration;
- e. the time and the place within the Province for the holding of the annual meetings of the company, the calling of meetings, regular and special, of the board of directors and of the company, the quorum, the requirements as to proxies not otherwise prescribed by this Part, and the procedure in all things at such meetings;
- f. the imposition and recovery of all penalties and forfeitures which admit of regulation by by-law;
- g. the conduct in all other particulars of the affairs of the company.

3. The directors may, from time to time, repeal, amend or re-enact such by-laws; but every such by-law (except by-laws made respecting the matters set forth in sub-paragraph

d of paragraph 2 of this article) and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the company duly called for that purpose, shall have effect only until the next annual meeting of the company, and, in default of confirmation thereat, shall, at and from that time only, cease to be in force.

Distribution of assets on ceasing to carry on business.

“**6020a.** When a company has ceased to carry on business, except for the purpose of winding up its affairs, and has no debts or obligations that have not been provided for or protected, the directors may pass by-laws for distributing the assets of the corporation, or any part of them, among the shareholders. No such distribution shall be made until fifteen days after the publication of a summary of the by-law in the *Quebec Official Gazette*.

Publication.

“§ 25.—*Liability of Directors*

Liability of directors for declaring dividend in certain cases.

“**6021.** If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend the payment of which renders the company insolvent or impairs the capital thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing and for all thereafter contracted during their continuance in office; but if any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or, if there is no newspaper there published, then in the newspaper nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

How it may be avoided.

No loan to shareholders.

“**6022.** No loan shall be made by the company to any shareholder. If such loan is made, all directors and other officers of the company making the same, or in anywise assenting thereto, shall be jointly and severally liable for the amount of such loan, with interest, to the company, and also to the creditors of the company.

Liability of directors for wages.

“**6023.** The directors of the company shall be jointly liable to the clerks, labourers, servants and apprentices

thereof, for all debts not exceeding six months' wages due for service performed for the company whilst they are such directors respectively; but no director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt becomes due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company in respect of such debt is returned unsatisfied wholly or in part; and the amount unsatisfied on such execution shall be the amount recoverable with costs from the directors.

Limitation thereof.

“ § 26.—*General Meetings*

“**6024.** In default of other express provision in the letters patent or supplementary letters patent or by-laws of a company, notice of the time and place for holding general meetings, including the annual and special meetings, shall be given at least ten days previously thereto by registered letter to each shareholder at his last known address, and by an advertisement in a newspaper published in the English language and in a newspaper published in the French language at the place where the company has its head office, or, if there are no newspapers published at that place, or if there is only one, by a notice inserted in one or two newspapers, as the case may be, published in the nearest place.

Notice of general meetings.

“**6024a.** 1. An annual meeting of the shareholders of the company shall be held at such time and place in each year as the letters patent or by-laws of the company provide, and in default of such provisions in that behalf an annual meeting shall be held at the place named in the letters patent as the place of the head office of the company, on the fourth Wednesday in January in every year, and, if such day be a holiday, then on the next following juridical day.

Annual meeting.

2. At such meeting the directors shall lay before the company,—

What must be laid before company.

- a. a balance sheet made up to a date not more than four months before such annual meeting: provided however that a company which carries on its undertaking outside the Province may, by resolution at a general meeting, extend this period to not more than six months;
- b. a general statement of income and expenditure for the financial period ending nearest to the date of such balance sheet;

- c. the report of the auditor or auditors;
- d. such further information respecting the company's financial position as the letters patent, supplementary letters patent or by-laws of the company require.

How  
balance  
sheet must  
be drawn  
up.

3. Every balance sheet shall be drawn up so as to distinguish severally at least the following classes of assets and liabilities, namely:—

- a. cash;
- b. debts owing to the company from its customers;
- c. debts owing to the company from its directors, officers and shareholders respectively;
- d. stock in trade;
- e. expenditures made on account of future business;
- f. moveable and immoveable property;
- g. goodwill, franchises, patents and copy-rights, trade-marks, leases, contracts and licenses;
- h. debts owing by the company secured by mortgage or other lien upon the property of the company;
- i. debts owing by the company but not secured;
- j. amount of common shares subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;
- k. amount of preferred shares subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;
- l. indirect and contingent liabilities;
- m. amount written off on account of depreciation of plant, machinery, stock in trade and all other similar items.

Special  
general  
meeting to  
be called by  
directors on  
receipt of  
requisition.

**“6024b.** 1. Upon the receipt by the secretary of the company of a requisition in writing, signed by the holders of not less than one-tenth of the subscribed shares of the company, setting out the objects of the proposed meeting, the directors, or, if there is not a quorum in office, the remaining directors or director, shall forthwith convene a special general meeting of the company for the transaction of the business mentioned in the requisition.

May be  
called by  
share-  
holders in

2. If the meeting is not called and held within twenty-one days from the date upon which the requisition was left at the head office of the company, any shareholders

holding not less than one-tenth in value of the subscribed shares of the company, whether they signed the requisition or not, may themselves convene such special general meeting.

3. The directors may at any time, of their own motion, call a special general meeting of the company for the transaction of any business.

4. Notice of any special general meeting shall state the business which is to be transacted thereat.

**“6024c.** The president shall preside as chairman at every general meeting of the company, and if there is no president or vice-president, or if at any meeting neither of them is present within fifteen minutes after the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairman.

**“6024d.** 1. At any general meeting, unless a poll is demanded, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the minutes of the company, shall be *prima facie* evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

2. If a poll is demanded it shall be taken in such manner as the by-laws prescribe, and, if the by-laws make no provision therefor, then as the chairman may direct.

3. In the case of an equality of votes at any general meeting the chairman shall be entitled to a second or casting-vote.

**“6024e.** Subject to the letters patent, supplementary letters patent or by-laws, at all meetings of shareholders every shareholder shall be entitled to as many votes as he holds shares in the company, and may vote by proxy; but no shareholder in arrear in respect of any call shall be entitled to vote at any meeting.

**“6024f.** 1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney so authorized, and shall cease to be valid after the expiration of one year from the date thereof, unless it be for some other period.

2. No person shall act as proxy unless he is entitled on his own behalf to be present and vote at the meeting at which

certain cases.

May be called by directors at any time.

Contents of notice.

Presiding officer.

Procedure as to resolutions.

Vote, how taken.

Casting-vote for chairman.

Votes.

Shareholders in arrear not to vote.

Proxies.

Duration of Proxy.

Qualification of proxy.

he acts as proxy, or has been appointed to act at that meeting as proxy for a corporation.

Not to vote on show of hands.

3. A proxy for an absent shareholder shall not have the right to vote on a show of hands.

Form of proxy.

4. An instrument appointing a proxy may be according to Form N or such other form as may be prescribed by the by-laws of the company, and shall not contain anything but the appointment of the proxy or a revocation of a former instrument appointing a proxy.

Revocation.

5. An instrument appointing a proxy may be revoked at any time.

“§ 27.—*Books of the Company*

Books to be kept.

“**6025.** 1. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded:

Their contents.

- a. a copy of the letters patent incorporating the company, and of any supplementary letters patent, and of every by-law of the company;
- b. the names, alphabetically arranged, of all persons who are or have been shareholders;
- c. the address and calling of every such person, while such shareholder, as far as can be ascertained;
- d. the number of shares of stock held by each shareholder;
- e. the amounts paid in and remaining unpaid, respectively, on the stock of each shareholder;
- f. the names, addresses and callings of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director.

Register of transfers.

2. A book called the register of transfers shall be provided, and in such book shall be entered the particulars of every transfer of shares in the capital of the company.

Register of mortgages.

“**6025a.** 1. Every company shall keep a register of mortgages, and enter therein all mortgages and charges affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and (except in the case of debentures and other securities payable to order or to bearer) the names of the mortgagees or persons entitled thereto. As regards the hypothecs and charges securing the payment of debentures and other securities payable to order or to bearer, it shall be sufficient to mention the

name of the trustee in whose favour the hypothec is created.

2. If any director, manager, or other officer of the company knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this article, he shall be liable on summary conviction to a fine not exceeding two hundred dollars.

Penalty for omission to make entries.

**“6026.** Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open, at the head office or chief place of business of the company, for the inspection of holders of preferred or common shares and creditors of the company, and their representatives, and of any judgment creditor of a shareholder; and every such shareholder, creditor or representative may make extracts therefrom.

Books to be kept open for inspection, etc.

**“6027.** Every director, officer, or servant of the company who knowingly makes or assists in making any untrue entry in any such book, or who refuses or neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, shall be liable to a penalty of one hundred dollars for every such untrue entry and for every such refusal or neglect, and also in damages for all loss or injury which any party interested may have sustained thereby.

Penalty for false entries, refusal to allow inspection, etc.

**“6028.** Every company which neglects to keep such book or books as aforesaid, shall be liable to a penalty not exceeding twenty dollars for each day that such neglect continues, and also in damages for all loss or injury which any party interested may have sustained thereby.

Penalty for neglect to keep books.

**“6029.** Such books shall be *prima facie* evidence of all facts purporting to be thereby stated, in any action, suit or proceeding against the company or against any shareholder.

Books prima facie evidence.

#### “§ 28.—*Inspection*

**“6030.** 1. The Provincial Secretary may appoint one or more competent inspectors to investigate the affairs of any company, and to report thereon in such manner as the Provincial Secretary may direct, on the application of shareholders holding such a proportion of the issued stock of the company as in the opinion of the Provincial Secretary warrants the application.

Investigation of affairs of company.

2. The application shall be supported by such evidence as the Provincial Secretary may require for the purpose of

Evidence in support of application.

showing that the applicants have good reason for and are not actuated by malicious motives in applying for the investigation; and the Provincial Secretary may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

Production of books, etc.

3. It shall be the duty of all officers and agents of the company to produce to the inspectors all books and documents in their custody or power.

Examination of officers.

4. An inspector may examine on oath the officers and agents of the company in relation to its business, and may administer an oath accordingly.

Penalty for refusal to produce book, etc., or to answer.

5. If any officer or agent refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable on summary conviction to a fine not exceeding one hundred dollars in respect of each offence.

Report to Prov. Secy.

6. On the conclusion of the investigation the inspectors shall report their opinion to the Provincial Secretary, and a copy of the report shall be forwarded by the Provincial Secretary to the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

Written or printed.

7. The report shall be written or printed, as may be directed by the Provincial Secretary.

Expenses, by whom to be paid.

8. All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Provincial Secretary directs the same to be paid by the company, which the Provincial Secretary is hereby authorized to do.

Powers of company to appoint inspectors.

**“6030a.** 1. A company may, by resolution at any annual or special general meeting, appoint inspectors to investigate its affairs.

Powers of such inspectors.

2. Inspectors so appointed by the company shall have the same powers and duties as inspectors appointed by the Provincial Secretary, except that, instead of reporting to the Provincial Secretary, they shall report in such manner and to such persons as the company by resolution may direct.

Penalties.

3. Officers and agents of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Provincial Secretary.

Report of

**“6030b.** A copy of the report of any inspectors ap-

pointed under this Part, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

“§ 29.—*Auditors*

“**6030c.** 1. Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

2. If an appointment of auditors is not made at an annual general meeting, the Provincial Secretary may, on the application of any shareholder of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

3. A director or officer of the company shall not be capable of being appointed auditor of the company.

4. The directors may fill any casual vacancy in the office of auditor; but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

“**6030d.** 1. Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

2. The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and the report shall state,—

- a. whether or not they have obtained all the information and explanations they have required; and
- b. whether the balance sheet referred to in the report is drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

3. The balance sheet shall be signed on behalf of the board by two of the directors of the company, and the auditor's report shall be attached to the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report, and the report shall be read before

the shareholders in general meeting, and shall be open to inspection by any shareholder.

Shareholders entitled to copies.

4. Thereafter any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report at a charge not exceeding ten cents for every hundred words.

Penalties for circulating improper balance sheet.

5. If any copy of a balance sheet which has not been signed as required by this article is issued, circulated or published, or if any copy of a balance sheet is issued, circulated, or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as is required by this article, the company, and every director, manager or other officer of the company who is knowingly a party to the default, shall, on summary conviction, be liable to a fine not exceeding two hundred dollars.

“ § 30. *Summary to be sent to Provincial Secretary*

Annual summary for Prov. Secy.

“**6031.** 1. Every company shall, on or before the first day of September in every year, make a summary as of date the 30th day of June preceding, specifying the following particulars,—

Particulars.

- a. the corporate name of the company;
- b. the manner in which the company is incorporated, whether by special act or by letters patent, and the date thereof;
- c. the place of the head office of the company, giving the street and number thereof when possible;
- d. the date upon which the last annual meeting of shareholders of the company was held;
- e. the amount of the share capital of the company, and the number of shares into which it is divided;
- f. the number of shares taken from the commencement of the company up to the date of the return;
- g. the amount called up on each share;
- h. the total amount of calls received;
- i. the total amount paid on shares otherwise than in cash, showing severally the amounts paid by services, commissions or assets acquired since the last annual return;
- j. the total amount of calls unpaid;
- k. the total amount of the sums, if any, paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures;

- l. the total number of shares forfeited, and the amount paid thereon at the time of forfeiture;
- m. the total amount of shares issued as preference shares, and the rate of dividend thereon, and whether cumulative;
- n. the total amount paid on such shares;
- o. the total amount of debentures authorized, and the rate of interest thereon;
- p. the total amount of debentures issued;
- q. the total amount paid on debentures, showing severally the amounts of discount thereon and the amounts issued for services and assets acquired since the last annual return;
- r. the total amount of share warrants issued;
- s. the names and addresses of the persons who at the date of the return are the directors of the company, or occupy the position of directors, by whatever name called.

2. The said summary must be completed and filed in duplicate in the department of the Provincial Secretary on or before the first day of September aforesaid. Each of the said duplicates shall be signed by the president and the manager, or, if these are the same person, by the president and by the secretary of the company, and shall be duly verified by their affidavits. There shall also be filed therewith an affidavit proving that the copies of the said summary are duplicates.

Summary to be signed, filed and verified.

3. If a company makes default in complying with any requirement of this article, it shall be liable to a fine not exceeding twenty dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty, and such fines may be recoverable on summary conviction.

Penalty for default.

4. The Provincial Secretary, or an official of the department of the Provincial Secretary designated for that purpose, shall indorse upon one duplicate of the above summary the date of the receipt thereof by the Provincial Secretary, and shall return the said duplicate summary to the company, and the same shall be retained at the head office of the company available for perusal or for the purpose of making copies thereof or extracts therefrom by any shareholder or creditor of the company.

Indorsement of summary.

5. The duplicate of the said summary indorsed as aforesaid shall be *prima facie* evidence that the said summary was filed in the department of the Provincial Secre-

Proof of indorsement.

tary pursuant to the provisions of this article on any prosecution under paragraph 3 of this article, and the signature of an official of the department of the Provincial Secretary to the indorsement of the said duplicate shall be deemed *prima facie* evidence that the said official has been designated to affix his signature thereto.

Proof of failure to file summary.

6. A certificate under the hand and seal of office of the Provincial Secretary that the aforesaid summary in duplicate was not filed in the department of the Provincial Secretary by a company pursuant to the provisions of this article shall be *prima facie* evidence, on a prosecution under paragraph 3 of this article, that such summary was not filed in the department of the Provincial Secretary.

Companies exempt.

7. Companies organized after the 30th day of June in any year shall not be subject to the provisions of this article until the 30th day of June of the following year.

“§ 31.—*Procedure*

Signature of summonses, notices, etc.

“**6032.** Any summons, notice, order or proceeding requiring authentication by the company, may be signed by any director, manager or other authorized officer of the company, and need not be under the seal of the company.

Service of notices upon shareholders.

“**6033.** Subject to the provisions of article 6024 respecting general meetings, notices to be served by the company upon the shareholders may be served either personally or by sending them through the post, in registered letters, addressed to the shareholders at their places of abode as they appear on the books of the company.

Service of notice by post.

“**6034.** A notice or other document served by post by the company on a shareholder, shall be held to be served at the time when the registered letter containing it would be delivered in the ordinary course of post; and to prove the fact and time of service it shall be sufficient to prove that such letter was properly addressed and registered, and was put into the post office, and the time when it was put in, and the time requisite for its delivery in the ordinary course of post.

Copy of by-law *prima facie* evidence.

“**6035.** A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as against any shareholder of the company, as *prima facie* evidence of such by-law in all courts in the Province.

Mode of

“**6036.** In any action or other legal proceeding, it

shall not be requisite to set forth the mode of incorporation of the company, otherwise than by mention of it under its corporate name, as incorporated by virtue of letters patent or supplementary letters patent, as the case may be, under this Part; and the notice in the *Quebec Official Gazette*, of the issue of such letters patent or supplementary letters patent, shall be *prima facie* proof of all things therein contained; and on production of the letters patent, or supplementary letters patent, or of any exemplification or copy thereof, the fact of such notice shall be presumed.

incorporation, how alleged.

Proof of incorporation.

“**6037.** Except in any proceeding by *scire facias* or otherwise for the purpose of rescinding or annulling the same, the letters patent or supplementary letters patent, or any exemplification or copy thereof, shall be proof of every matter and thing therein set forth.

Letters patent to be proof, except in *scire facias*.

“**6038.** Proof of any matter which is necessary to be made under this Part may be made by oath.

Proof may be made by oath.

“**6039.** Every holder of preferred shares or debentures of a company has the same right as ordinary shareholders to examine the financial statement, the auditor’s report or any other report.

Rights of preference shareholders as to examination of documents.

“§ 32.—*Offences and penalties*

“**6040.** Every one who, being a director, manager or officer of a company, commits any act contrary to the provisions of this Part, or fails or neglects to comply with any such provision, shall, if no penalty for such act, failure or neglect is expressly provided by this Part, be liable, on summary conviction, to a penalty of not more than two hundred dollars, or to imprisonment for not more than two months, or to both; provided that no proceeding shall be taken under this article without the consent in writing of the Attorney-General.

Penalties.

Proviso.

“PART II

“JOINT STOCK COMPANIES’ GENERAL CLAUSES

“§ 1.—*Definitions*

“**6041.** The following expressions, both in this Part and in the charter, have the following meanings, unless the subject matter or context otherwise requires,—

Interpretation.

- “Charter”; a. the word “charter” means any act of the Legislature of this Province incorporating a joint stock company for any of the purposes or objects to which the legislative authority of the Province extends, except for the construction and working of railways, for the transaction of insurance or trust business, or for any other purpose for which other special provisions of law exist;
- “Company”; b. the word “company” means the company incorporated by the charter;
- “Undertaking”; c. the word “undertaking” means the whole of the works and business of every kind, which the company is authorized to carry on;
- “Shareholder”; d. the word “shareholder” or “stockholder” means every subscriber to, or holder of, stock in the company, and extends to and includes the personal representatives of the shareholder;
- “Manager”; e. the word “manager” includes also the cashier, the secretary, the treasurer and the secretary-treasurer;
- “Debentures”; f. the word “debentures” includes also bonds and debenture-stock.

“§ 2.—*Application of Part II.*”

Application  
of  
Part II.

“**6042.** This Part shall apply:

a. to every joint stock company incorporated by an act of the Legislature of this Province, after the coming into force of this Part, for any purpose other than the construction and working of railways or the transaction of insurance or trust business or any other purpose for which other special provisions of law exist;

b. to every joint stock company incorporated by an act of the Legislature of this Province before the coming into force of this Part, and which was, before their repeal, governed by the provisions of articles 5957 to 6001, inclusive, of the Revised Statutes, 1909.

Provisions  
of Part II to  
form part of  
charter.

“**6043.** The provisions of this Part, even although not specially inserted in the charter, shall, save in so far as they are expressly varied or excepted by such charter, be construed as if formally embodied and reproduced therein.

“ § 3.—*Tariff of fees*”

Tariff of  
fees.

“**6044.** 1. The Lieutenant-Governor in Council may establish, alter, replace or repeal the tariff of the duties and fees to be paid on the doing of any act to be done by the Provincial Secretary, by the department over which he

presides or by an officer of such department, as well as by the Lieutenant-Governor or by any person whomsoever, under this Part.

2. The Lieutenant-Governor in Council may likewise, from time to time, determine all other matters and prescribe all formalities necessary to ensure the carrying out of the objects of this Part. Regulations by Lt. Gov. in C.

3. No act to be done by the Provincial Secretary, or document or certificate to be issued by him under this Part, shall be so done or issued until after due payment of all the duties and fees payable in respect thereof. No act to be done or document issued until fees paid.

#### “§ 4.—Commencement of Business

“**6044a.** The company shall not commence its operations or incur any liability before ten per cent of its authorized capital has been subscribed and paid for. Capital to be subscribed before business begun.

Every director who expressly or impliedly authorizes such operations being so commenced or liabilities being so incurred, before such subscription and payment, shall be jointly and severally liable with the company for the payment of such liabilities. Liability of directors for contravention.

Nevertheless, the adoption by a company of the resolutions and other measures for the acquisition of any moveable or immoveable property, right, contract or franchise, in consideration, either altogether or in part only, of shares issued by such company, shall suffice, if the value of such property, or of such right, contract or franchise, is at least equal to the amount which must be subscribed and paid up before the company may commence its operations, and if the acquisition is actually made. Valuable consideration to suffice.

#### “§ 5.—Forfeiture of Charter

“**6045.** Unless another delay be specified in the charter of a company, such charter shall be forfeited *de jure* by non-user during three consecutive years, or if the company does not go into actual operation within three years after it is granted. Forfeiture of charter for non-user.

#### “§ 6.—Surrender of Charter

“**6045a.** 1. The charter of a company may be surrendered if the company proves to the satisfaction of the Lieutenant-Governor: Surrender of charter.

- a. that it has no debts or obligations; or Conditions.
- b. that it has parted with its property, divided its assets rateably among its shareholders or members, and has no debts or liabilities; or

c. that the debts and obligations of the company have been duly provided for or protected, or that the creditors of the company or their assignees consent; and

d. that the company has given notice of the application for leave to surrender by publishing the same once in the *Quebec Official Gazette* and once in a newspaper published in the French language and once in a newspaper published in the English language at or as near as may be to the place where the company has its head office.

Lt. Gov. in C. may accept notice and cancel charter.

2. The Lieutenant-Governor in Council, upon a due compliance with the provisions of this Part, may accept a surrender of the charter and direct its cancellation and fix a date upon and from which the company shall be dissolved. Notice of such dissolution shall be given by the Provincial Secretary by one insertion in the *Quebec Official Gazette*, in the Form J, and the company shall thereupon become dissolved from and after the date fixed.

“ § 7.—*General powers and duties of the company*

Powers to be subject to this Part.

“**6046.** All powers given by the charter to the company are subject to the provisions and restrictions contained in this Part.

General corporate powers.

“**6047.** The company may acquire and hold moveable and immoveable property requisite for the carrying on of its undertaking, may sell and alienate such property, both moveable and immoveable, and hypothecate the latter, and shall forthwith become and be vested with all property and rights, moveable and immoveable, held for it up to the date of its charter, under any trust created with a view to its incorporation, and with all the powers, privileges and immunities requisite or incidental to the carrying on of its undertaking.

Head office of the company.

“**6048.** The company shall, at all times, have an office in the place in which its chief place of business is situate, which shall be the legal domicile of the company; and notice of the situation thereof or of any change therein shall be published in the *Quebec Official Gazette*, in the form K.

Other offices.

The company may establish such other offices and agencies elsewhere as it deems expedient.

Contracts, etc., when binding on company.

“**6049.** Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or indorsed, and every promissory note and cheque made,

drawn or indorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any by-law, resolution or special order; and the person so acting as agent, officer or servant or the company shall not be thereby subjected individually to any liability whatsoever to any third person therefor; provided always, that nothing in this Part shall authorize the company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as a bank-note.

No individual liability.  
Proviso.

“ § 8.—*Liability of shareholders*

“**6050.** The shareholders of the company shall not as such be responsible for any act, default or liability whatever of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatever, relating to or connected with the company, beyond the amount unpaid on their respective shares in the capital stock thereof.

Liability limited to amount unpaid on stock.

“**6051.** No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee of or for any person named in the books of the company as being so represented by him, shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner, and to the same extent, as the testator or intestate, or the minor, ward or interdicted person, or the person interested in such trust fund would be, if living and competent to act and holding such stock in his own name; and no person holding such stock as collateral security shall be personally subject to such liability, but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

Trustees, etc., not personally liable.

“**6052.** Every such executor, administrator, tutor, curator, guardian or trustee, shall represent the stock held by him, at all meetings of the company, and may vote thereon as a shareholder; and every person who pledges his stock may represent the same at all such meetings, and, notwithstanding such pledge, vote thereon as a shareholder.

Trustees, etc may vote.

“§ 9.—*Holding Stock of other Companies*

Conditions for purchase of stock in other companies.

“**6053.** The company shall not use any of its funds in the purchase of stock in any other company unless and until the directors have been expressly authorized by a by-law passed by them for the purpose and sanctioned by a vote of not less than two-thirds in value of the capital stock represented at a general meeting of the company duly called for considering the subject of the by-law; but if the charter authorizes such purchase it shall not be necessary to pass such by-law.

Not to apply to a company dealing in shares.

This article shall not apply to a company incorporated for the purpose of carrying on the business of buying, selling or dealing in shares, as to shares bought with the intention of reselling them.

“§ 10—*Capital Stock*

Stock subscriptions to be paid in cash.  
Exception.

“**6054.** Subscriptions for stock must be paid in cash, unless payment therefor in some other manner has been agreed upon by a contract filed with the Provincial Secretary at or before the issue of such shares or within thirty days thereof.

Annual report of paid-up stock.

The amount of paid-up capital, from year to year, shall be published annually in a report to the shareholders.

Stock to be moveable property.  
How transferable.

“**6054a.** The stock of the company shall be deemed moveable property, and shall be transferable, in such manner only, and subject to all such conditions and restrictions as by this Part, or by the charter or the by-laws of the company, shall be prescribed.

Allotment of stock.

“**6054b.** If the charter makes no other definite provision, the stock of the company shall be allotted when and as the directors, by by-law, may order.

Preferred stock.

“**6054c.** 1. The directors of the company may make by-laws for creating and issuing any part of the capital stock as preferred stock.

What by-law may contain.

2. Any such by-law may give such preferred stock such preference and priority, as respects principal, dividends, or in any other respect, over common stock, as in such by-law declared; or may limit the right of the holders thereof to specific dividends, profits or repayments; or may provide that the holders of such shares shall have the right to select a certain stated proportion of the board of directors, or that they shall have greater or less control

over the affairs of the company than the holders of common stock, which control shall be stated in the by-law; or may restrict or extend the rights of holders of such shares in any other way not contrary to law or to these provisions; or may provide for the purchase of such shares by the company in the manner set forth in the by-law.

The provisions of any by-law granting rights or privileges to the holders of such shares, or restricting those conferred upon them by law, shall be set out at length in the certificate of such shares, and, if not so set out, such rights, privileges and restrictions shall be deemed non-existent.

Rights, privileges and restrictions to be set out on certificate; otherwise non-existent.

3. No such by-law shall have any force or effect until after it has been approved by a vote of at least three-fourths of the shareholders, present in person or by proxy at a general meeting of the company duly called for considering the same, and representing at least two-thirds of the stock of the company, and sanctioned by the Lieutenant-Governor.

Conditions precedent to effect of by-law.

4. Whenever the total amount of the purchase or purchases of preferred stock made in accordance with a by-law passed in virtue of this article reaches or exceeds ten per cent of the capital stock of the company, notice thereof must be given to the Provincial Secretary within the thirty days following the date when such purchase or purchases reached or exceeded such amount.

Notice must be given when shares purchased by company reach 10% of capital.

Such notice must be published forthwith by the Provincial Secretary at the expense of the company, in the *Quebec Official Gazette* and in two newspapers, one published in the French and the other in the English language in the locality where the company has its head office, or, if there be none published in that locality, then in newspapers published in the place nearest thereto.

Publication of notice.

Failure to comply with this provision shall render the company liable, in addition to the costs, to a fine of one hundred dollars for each day that such failure to send such notice to the Provincial Secretary continues.

Penalty for failure to comply.

5. Holders of shares of such preferred stock shall be shareholders, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of this Part; subject, however, to the provisions of the by-law respecting the rights, privileges and restrictions therein mentioned.

Rights of holders of preferred stock.

6. No preference or priority given to the holders of preferred stock under this article shall in any way affect the rights of creditors of any company.

Creditors not affected.

Company not bound to see to execution of trust.

“**6054d.** The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share; and the receipt of the shareholder in whose name the same stands in the books of the company shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, whether or not notice of such trust shall have been given to the company; and the company shall not be bound to see to the application of the money paid upon such receipt.

“§ 11 — *Share certificates*

Share certificates.

“**6054e.** 1. Every shareholder shall, without payment, be entitled to a certificate under the common seal of the company, stating the number of shares held by him and the amount paid up thereon; but, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate.

Evidence of title.

2. The certificate shall be *prima facie* evidence of title of the shareholder to the shares mentioned in it.

Lost certificate.

“**6054f.** If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding twenty-five cents, and on such terms, if any, as to evidence and indemnity as the directors think fit.

Issue and effect of share warrants.

“**6054g.** 1. A company, if so authorized by its charter, and subject to the provisions thereof, may, with respect to any fully paid-up shares, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the share or shares therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the share or shares included in the warrant, hereafter termed a share warrant.

Rights of bearer.

2. A share warrant shall entitle the bearer thereof to the shares therein specified, and the shares may be transferred by delivery of the warrant.

Bearer to be shareholder on surrender of warrant.

3. The bearer of a share warrant shall, subject to the provisions and regulations respecting share warrants contained in the charter, be entitled, on surrendering it for cancellation, to have his name entered on the books of the company as the holder of the shares specified in such share warrant, and the company shall be responsible for any loss incurred by any person by reason of the company entering on the books of the company the name of the bearer of a share warrant in respect of the shares therein specified without the warrant being surrendered and cancelled.

4. The bearer of a share warrant may, if the provisions and regulations respecting share warrants so provide be deemed to be a shareholder of the company either to the full extent or for any purposes defined by such regulations; except that he shall not be qualified in respect of the shares specified in the warrant for being a director of the company.

Rights of bearer under regulations.

5. On the issue of a share warrant the company shall remove from its books the name of the shareholder then entered therein as holding such share or shares as if he had ceased to be a shareholder, and shall enter in such books the following particulars, namely:

Entries to be made on issue of share warrants.

- a. the fact of the issue of the warrant;
- b. a statement of the shares included in the warrant; and
- c. the date of the issue of the warrant.

6. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Part to be entered in the books of the company in respect of such share or shares, and, on the surrender, the date of the surrender shall be entered as if it were the date at which a person ceased to be a shareholder.

Surrender of warrant.

7. Unless the bearer of a share warrant is entitled to attend and vote at general meetings, the shares represented by such share warrant shall not be counted as part of the stock of the company for the purposes of a general meeting.

Bearer of share warrant not entitled to vote as such.

“§ 12.—*Changing the value of the shares*”

“**6054h.** 1. The directors of the company may, at any time, make a by-law subdividing the existing shares into shares of a smaller amount.

Subdivision of shares.

2. The directors may also, at any time, whenever the par value of the existing shares of the company is less than one hundred dollars each, make a by-law consolidating them into shares of a greater par value; but no such consolidated share shall exceed the par value of one hundred dollars.

Consolidation of shares.

3. For the purpose of such consolidation, the company may purchase fractions of shares, and the company shall sell any such shares held by them, within a delay of two years.

Purchase of fractional shares for consolidation.

“**6054i.** No by-law for subdividing the shares, or consolidating them into shares of a greater par value, shall have any force or effect, until it is approved by the votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company, at a special general meeting of the company, and afterwards confirmed by the Lieutenant-Governor.

Approval and confirmation of by-law.

Application for confirmation. “**6054j.** 1. The application for confirmation of the by-law by the Lieutenant-Governor must be made by the directors not more than six months after the approval of the by-law by the shareholders.

By-law to be produced with application. 2. The directors shall, with such application, produce a copy of such by-law, under the seal of the company, and signed by the president or vice-president and the secretary, and establish, to the satisfaction of the Provincial Secretary, the due passage and approval of such by-law, and the expediency and *bonâ fide* character of the subdivision or consolidation of shares, as the case may be, thereby provided for.

Evidence to be taken. 3. The Provincial Secretary shall, for that purpose, take and keep of record any requisite evidence in writing, by oath or affirmation.

Grant of confirmation. Notice to be given. Effect thereof. “**6054k.** Upon proof of the passing and approval of the by-law, the Lieutenant-Governor may grant such confirmation, and notice thereof shall be forthwith given by the Provincial Secretary in the *Quebec Official Gazette*, according to form O; and thereupon, from the date of the letters patent, the shares of the company shall be subdivided, or consolidated into shares of a greater par value, as the case may be, in the manner and subject to the conditions set forth by such by-law.

### “§ 13.—Calls

Calls on unpaid shares. “**6055.** Not less than ten per cent upon the allotted shares of stock of the company shall, by means of one or more calls, be called in and made payable within one year from the incorporation of the company; the residue shall be payable when and as the charter, or the provisions of this Part, or the by-laws of the company, direct.

Calls when due. “**6055a.** A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed; and if a shareholder fails to pay any call due by him, on or before the day appointed for the payment thereof, he shall be liable to pay interest thereon at the rate of six per cent per annum, from the day appointed for payment to the time of actual payment thereof.

Payment in advance on shares. ‘**6055b.** The directors may, if they think fit, receive from any shareholder willing to advance the same, all or any part of the amounts due on the shares held by such shareholder, beyond the sums then actually called for; and upon the moneys so paid in advance, or so much thereof as,

from time to time, exceeds the amount of the call then made upon the shares in respect of which such advance is made, the company may pay interest at such rate, not exceeding Interest allowable. eight per cent per annum, as the shareholders who pay such sum in advance and the directors agree upon.

**“6055c.** If after such demand or notice as is prescribed Forfeiture of shares for non-payment of calls. by the charter, or by resolution of the directors, or by the by-laws of the company, any call made upon any share is not paid within such time as, by such charter or by resolution of the directors or by the by-laws, is limited in that behalf, the directors, in their discretion, by vote to that effect duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment has not been made, and the same shall thereupon become the property of the company and may be disposed of as, by the by-laws of the company or otherwise, they prescribe: but, notwithstanding such forfeiture, the holder of such shares at the time of forfeiture shall continue liable to the then Proviso. creditors of the company for the full amount unpaid on such shares at the time of forfeiture, less any sums which are subsequently received by the company in respect thereof.

**“6055d.** The directors may, if they see fit, instead of declaring forfeited any share or shares, enforce payment of all calls, and interest thereon, by action in any court of competent jurisdiction; and in such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrears amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this Part. Enforcement of payment by action.

A certificate under the seal of the company, and purporting to be signed by any of its officers, to the effect that the defendant is a shareholder, that such calls have been made and that so much is due by him thereon, shall be received in all courts as *prima facie* evidence to that effect. What must be alleged and proved.

#### “ § 14.—*Transfer of Shares*

**“6056. 1.** No transfer of shares, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose until entry thereof is duly made in the register of transfers, except for the purpose of exhibiting the rights of the parties thereto towards each other and of rendering the Transfer of shares valid only after transfer in register.

transferee liable in the meantime, jointly and severally with the transferor, to the company and its creditors.

Exception as to listed shares represented by scrip.

2. This article shall not apply to companies whose stock is listed and dealt with on any recognized stock exchange by means of scrip commonly in use, endorsed in blank and transferable by delivery, which shall constitute a valid transfer; but the scrip-holder shall not be entitled to vote upon the shares until they are registered in his name in the books of the company.

Liability of directors for transfers in certain cases.

**“6056a.** No transfer of shares, whereof the whole amount has not been paid in, shall be made without the consent of the directors; and whenever any transfer of shares not fully paid in has been made, with such consent, to a person who is not apparently of sufficient means to fully pay up such shares, the directors shall be jointly and severally liable to the creditors of the company, in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been; but if any director present when any such transfer is allowed, does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and is able so to do, enter on the minute-book of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

How it may be avoided.

Not transferable until calls paid.

**“6056b.** No share shall be transferable until all calls payable thereon up to the time of transfer have been fully paid.

Transfer by a debtor of the company.

**“6056c.** The directors may decline to register any transfer of shares belonging to any shareholder who is indebted to the company.

Transfer by representative of deceased shareholder.

**“6056d.** Any transfer of the shares or other interest of a deceased shareholder, made by his representative, shall, notwithstanding such representative is not himself a shareholder, be of the same validity as if he had been a shareholder at the time of his execution of the instrument of transfer.

Transmission of shares

**“6056e.** 1. Whenever the interest in any shares of the capital stock of the company is transmitted by the death of

any shareholder or otherwise, or whenever the ownership of any shares or the legal right of possession of the same changes by any lawful means other than by transfer, according to the provisions of this Part, and the directors of the company entertain reasonable doubts as to the legality of any claim to such shares, the company may make and file in the Superior Court in and for the district in which the head office of the company is situated, a petition in writing, addressed to such court or to one of the judges thereof, setting forth the facts and the number of shares previously belonging to the person in whose name such shares stand in the books of the company, and praying for an order or judgment adjudicating and awarding the said shares to the person or persons legally entitled to the same.

otherwise  
than by  
transfer.

Petition for  
order of  
court in  
such cases.

2. Notice of the intention to present such petition shall be given to the person claiming such shares, or to the attorney of such person duly authorized for the purpose, who shall, upon the filing of such petition, establish his right to the shares referred to in such petition; and the time to plead and all other proceedings in such cases shall be the same as those observed in analogous cases before the said Superior Court.

Notice of  
petition.

3. The costs and expenses incurred in procuring such order or judgment shall be paid by the person or persons to whom such shares are declared lawfully to belong, and such shares shall not be transferred in the books of the company until such costs and expenses are paid, saving the recourse of such person against any person contesting his right to such shares.

Costs and  
expenses, by  
whom paid.

4. The company shall be guided by the order or judgment of the court establishing the right to such shares. Such order or judgment shall hold the company harmless and indemnified and released from every other claim to the said shares or arising in respect thereof.

Judgment  
of court to  
be binding.

“§ 15.—*Borrowing Powers, etc.*”

“**6056f.** 1. If authorized by by-law, sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the company represented at a general meeting called for considering the by-law, the directors may, from time to time:

Powers.

- a. borrow money upon the credit of the company;
- b. issue debentures or other securities of the company and pledge or sell the same for such sums and at such prices as may be deemed expedient;
- c. notwithstanding article 2017 of the Civil Code, hypothecate, mortgage or pledge the moveable or immove-

Borrowing;

Issue of  
debentures,  
etc.

Hypothec-  
ate, mort-

gage or  
pledge, to  
secure  
debentures,  
etc.

able property, present or future, of the company, to secure any such debentures or other securities, or give part only of such guarantee for such purposes; and constitute the hypothec, mortgage or pledge mentioned in this subparagraph, by trust deed, in accordance with articles 6119*b* and 6119*c*, or in any other manner;

Hypothecate or  
pledge to  
secure other  
loans.

*d.* Hypothecate or mortgage the immovable property of the company, or pledge or otherwise affect the moveable property, or give all such guarantees, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the company.

Loans on  
notes, etc.

2. The limitations and restrictions contained in this article shall not apply to the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or indorsed by or on behalf of the company.

Right of  
security-  
holder to  
copy of  
trust deed.

**“6057.** 1. A copy of any trust deed for securing any issue of debentures or other securities of the company shall be forwarded to every holder of any such debenture or other security at his request, on payment in the case of a printed trust deed of the sum of twenty-five cents, or such less sum as may be prescribed by by-law of the company, or, where the trust deed has not been printed, on payment of ten cents for every hundred words required to be copied.

Penalty for  
refusal or  
neglect to  
furnish  
copy.

2. If such copy is refused or is not forwarded upon request, the company shall be liable to a fine not exceeding one hundred dollars for such refusal or neglect, and to a further fine not exceeding ten dollars for every day during which the neglect to forward a copy continues; and every director, manager, secretary, or other officer of the company who knowingly authorizes or permits the neglect shall incur the like penalty.

**“§16.—Dividends**

Dividend  
not to  
impair  
capital.

**“6057*a.*** 1. No dividend shall be declared which will impair the capital of the company.

May be paid  
out of  
reserve  
fund.

2. The annual dividend may, however, be supplemented or paid entirely out of the reserve fund.

Stock  
dividends.

**“6057*aa.*** The directors may provide that the amount of any dividend that they may lawfully declare shall be paid, in whole or in part, in capital stock of the company, and for that purpose may authorize the issue of shares of the company as fully paid or partly paid, or may credit

the amount of such dividend on the shares of the company already issued but not fully paid, and, in the latter case, the liability of the holders of such shares shall be reduced by the amount of such dividend.

“**6057b.** The directors may deduct from the dividends payable to any shareholder all such sums of money as are due from him to the company, on account of calls or otherwise.  
Debts due to company may be deducted.

“§ 17.—*Directors and their Powers*

‘**6057c.** The affairs of the company shall be managed by a board of not less than three directors.  
Board of directors.

“**6057d.** The persons named as such in the charter shall be the directors of the company, until duly replaced; and, in the absence of other provisions in respect thereof in the charter, their number shall be that of the directors to be elected, until otherwise provided in accordance with article 6059a.  
Provisional directors. Number to be the same.

If not so replaced within six months from the date of the incorporation of the company, any of said persons or, if they be not living, their heirs or assigns, may cause a meeting to be held by giving fifteen clear days’ notice of the time and place thereof, in the *Quebec Official Gazette*, and the said persons, or their heirs or assigns, present at such meeting, may pass by-laws, allot stock and elect directors.  
Provisions if not replaced within six months.

“**6058.** If, at any time, an election of directors be not made, or do not take effect at the proper time, the company shall not be held to be thereby dissolved; but such election may take place at any general meeting of the company duly called for that purpose; and the retiring directors shall continue in office until their successors are elected.  
Failure to elect directors at proper time.

“**6059.** No person shall be elected or appointed as a director thereafter unless he is a shareholder, owning stock absolutely in his own right, and to the amount required by the by-laws of the company, and not in arrears in respect of any call thereon.  
Qualification of subsequent directors.

In the absence of any provision in that respect in the by-laws, the number of shares necessary as qualification for a director shall be one.  
Number of shares required.

“**6059a.** The company may, by by-law, increase, or decrease to not less than three, the number of its directors, but no such by-law shall be valid or acted upon, unless it is approved by a vote of at least two-thirds in value  
By-laws to increase or decrease number of directors, or

- to change head office. of the stock represented by the shareholders present at a special general meeting duly called for considering the by-law, nor until a copy of such by-law, certified under the seal of the company, has been deposited with the Provincial Secretary, and has also been published in the *Quebec Official Gazette*.
- Approval of by-law. Publication. Election of directors. **“6060.** Directors of the company shall be elected by the shareholders, in general meeting of the company assembled, at some place within the Province, at such times, in such manner, and for such term, not exceeding two years, as the charter, or, if it makes no provision therefor, as the by-laws of the company prescribe.
- Manner and times of election. **“6061.** In the absence of other express provisions in such behalf, in the charter or the by-laws of the company,—
- a. the election of directors shall take place yearly, and all the directors then in office shall retire, but, if otherwise qualified, they shall be eligible for re-election;
  - b. every election of directors shall be by ballot;
  - c. any vacancy occurring in the board of directors may be filled, for the remainder of the term, by the directors, from among the qualified shareholders of the company;
  - d. the directors shall, from time to time, elect from among themselves a president and, if they see fit, a vice-president, of the company; and may also appoint all other officers thereof.
- Officers. **“6061a.** Every director of the company may, with the consent of the company, given at any general meeting thereof, from time to time, and at all times, be indemnified and saved harmless, out of the funds of the company, from and against all costs, charges and expenses which he sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing made, done or permitted by him, in or about the execution of the duties of his office; and also from and against all other costs, charges and expenses which he sustains or incurs, in or about or in relation to the affairs thereof,—except such costs, charges or expenses as are occasioned by his own fault.
- Indemnification of directors in certain cases. **“6062.** 1. The directors may administer the affairs of the company in all things, and may make or cause to be made for it in its name any kind of contract which it may lawfully enter into.
- Powers, etc., of directors.

2. They may, from time to time, make by-laws not contrary to law, or to the charter of the company, for the following purposes:

- a. the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;
- b. the declaration and payment of dividends;
- c. the number of the directors, their term of service, the amount of their stock qualifications, and their remuneration, if any;
- d. the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company, and their remuneration;
- e. the time and the place within the Province for the holding of the annual meetings of the company, the calling of meetings, regular and special, of the board of directors and of the company, the quorum, the requirements as to proxies not otherwise prescribed by this Part, and the procedure in all things at such meetings;
- f. the imposition and recovery of all penalties and forfeitures which admit of regulation by by-law;
- g. the conduct in all other particulars of the affairs of the company.

3. The directors may, from time to time, repeal, amend or re-enact such by-laws; but every such by-law (except by-laws made respecting the matters set forth in subparagraph *d* of paragraph 2 of this article) and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the company duly called for that purpose, shall have effect only until the next annual meeting of the company, and in default of confirmation thereat, shall, at and from that time only, cease to be in force.

**“6062a.** When a company has ceased to carry on business, except for the purpose of winding up its affairs, and has no debts or obligations that have not been provided for or protected, the directors may pass by-laws for distributing the assets of the corporation, or any part of them, among the shareholders. No such distribution may be made until fifteen days after the publication of a summary of the by-law in the *Quebec Official Gazette*.

Distribution of assets on ceasing to carry on business.

Publication.

“§ 18.—*Liabilities of Directors*

Liability of directors for declaring dividend in certain cases. “**6063.** If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend the payment of which renders the company insolvent or impairs the capital thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing and for all thereafter contracted

How it may be avoided. during their continuance in office; but if any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published then in the newspaper nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

No loan to shareholders. “**6063a.** No loan shall be made by the company to any shareholder. If such loan is made, all directors and other officers of the company making the same, or in anywise assenting thereto, shall be jointly and severally liable for the amount of such loan, with interest, to the company, and also to the creditors of the company.

Liability of directors for wages. “**6064.** The directors of the company shall be jointly liable to the clerks, labourers, servants and apprentices thereof, for all debts not exceeding six months’ wages due for service performed for the company whilst they are such directors respectively; but no director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt becomes due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company in respect of such debt is returned unsatisfied wholly or in part; and the amount unsatisfied on such execution shall be the amount recoverable with costs from the directors.

Limitation thereof.

“§ 19.—*General Meetings*

Notices of general meetings. “**6065.** In default of other express provision in the charter or by-laws of a company, notice of the time for holding general meetings, including the annual and special

meetings, shall be given at least ten days previously thereto by registered letter to each shareholder at his last known address, and by an advertisement in a newspaper published in French and in a newspaper published in English at the place where the company has its head office, or, if there are no newspapers published at that place, or if there is only one, by a notice inserted in one or two newspapers, as the case may be, published in the nearest place.

**“6065a.** 1. An annual meeting of the shareholders of the company shall be held at such time and place in each year as the charter or by-laws of the company provide, and in default of such provisions in that behalf an annual meeting shall be held at the place named in the charter as the place of the head office of the company, on the fourth Wednesday in January in every year, and, if such day be a holiday, then on the next following juridical day.

2. At such meeting the directors shall lay before the company,—

- a. a balance sheet made up to a date not more than four months before such annual meeting: provided however that a company which carries on its undertaking outside the Province may, by resolution at a general meeting, extend this period to not more than six months;
- b. a general statement of income and expenditure for the financial period ending nearest to the date of such balance sheet;
- c. the report of the auditor or auditors;
- d. such further information respecting the company's financial position as the charter or by-laws of the company require.

3. Every balance sheet shall be drawn up so as to distinguish severally at least the following classes of assets and liabilities, namely:

- a. cash;
- b. debts owing to the company from its customers;
- c. debts owing to the company from its directors, officers and shareholders respectively;
- d. stock in trade;
- e. expenditures made on account of future business;
- f. moveable and immoveable property;
- g. goodwill, franchises, patents and copy-rights, trade-marks, leases, contracts and licenses;

Annual meeting.

What must be laid before company.

How balance sheet must be drawn up.

- h.* debts owing by the company secured by mortgage or other lien upon the property of the company;
- i.* debts owing by the company but not secured;
- j.* amount of common shares subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;
- k.* amount of preferred shares subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;
- l.* indirect and contingent liabilities;
- m.* amount written off on account of depreciation of plant, machinery, good-will and similar items.

Special general meeting to be called by directors on receipt of requisition.

**“6065b.** 1. Upon the receipt by the secretary of the company of a requisition in writing, signed by the holders of not less than one-tenth of the subscribed shares of the company, setting out the objects of the proposed meeting, the directors, or, if there is not a quorum in office, the remaining directors or director, shall forthwith convene a special general meeting of the company for the transaction of the business mentioned in the requisition.

May be called by shareholders in certain case.

2. If the meeting is not called and held within twenty-one days from the date upon which the requisition was left at the head office of the company, any shareholders holding not less than one-tenth in value of the subscribed shares of the company, whether they signed the requisition or not, may themselves convene such special general meeting.

May be called by directors at any time.

3. The directors may at any time, of their own motion, call a special general meeting of the company for the transaction of any business.

Contents of notice.

4. Notice of any special general meeting shall state the business which is to be transacted thereat.

Presiding officer.

**“6065c.** The president shall preside as chairman at every general meeting of the company, and if there is no president or vice-president, or if at any meeting neither of them is present within fifteen minutes after the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairman.

Procedure as to resolution.

**“6065d.** 1. At any general meeting, unless a poll is demanded, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the minutes

of the company, shall be *prima facie* evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

2. If a poll is demanded it shall be taken in such manner as the by-laws prescribe, and, if the by-laws make no provision therefor, then as the chairman may direct.

3. In the case of an equality of votes at any general meeting the chairman shall be entitled to a second or casting-vote.

“**6065e.** Unless otherwise specially provided in the charter, or in any by-law authorizing the issue of preferred stock, at all meetings of shareholders every shareholder shall be entitled to as many votes as he holds shares in the company, and may vote by proxy, but no shareholder in arrear in respect of any call shall be entitled to vote at any meeting.

“**6065f.** 1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorized, and shall cease to be valid after the expiration of one year from the date thereof, unless it be for some other period.

2. No person shall act as proxy unless he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or has been appointed to act at that meeting as proxy for a corporation.

3. A proxy for an absent shareholder shall not have the right to vote on a show of hands.

4. An instrument appointing a proxy may be according to Form N or such other form as may be prescribed by the by-laws of the company, and shall not contain anything but the appointment of the proxy or a revocation of a former instrument appointing a proxy.

5. An instrument appointing a proxy may be revoked at any time.

“§ 20.—*Books of the company*

“**6066.** 1. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded:

- a. every by-law of the company;
- b. the names, alphabetically arranged, of all persons who are or have been shareholders;

- c. the address and calling of every such person, while such shareholder, as far as can be ascertained;
- d. the number of shares of stock held by each shareholder;
- e. the amounts paid in, and remaining unpaid, respectively, on the stock of each shareholder; and
- f. the names, addresses and callings of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director.

Register of transfers.

2. A book called the register of transfers shall be provided, and in such book shall be entered the particulars of every transfer of shares in the capital of the company.

Register of mortgages.

**“6067.** 1. Every company shall keep a register of mortgages, and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and (except in the case of debentures or other securities to order or to bearer) the names of the mortgagees or persons entitled thereto. In regard to hypothecs or other charges securing the payment of debentures or other securities payable to order or to bearer, it shall be sufficient to mention the name of the trustee in whose favour the hypothec is created.

Penalty for omission to make entries.

2. If any director, manager, or other officer of the company knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this article, he shall be liable on summary conviction to a fine not exceeding two hundred dollars.

Books to be kept open for inspection, etc.

**“6068.** Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open, at the head office or chief place of business of the company, for the inspection of holders of preferred or common shares and creditors of the company, and their representatives, and of any judgment creditor of a shareholder; and every such shareholder, creditor or representative may make extracts therefrom.

Penalty for false entries, refusal to allow inspection, etc.

**“6069.** Every director, officer or servant of the company, who knowingly makes or assists in making any untrue entry in any such book, or who refuses or neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, shall be liable to a penalty of one hundred dollars for every such untrue entry and for every such refusal or

neglect, and also in damages for all loss or injury which any party interested may have sustained thereby.

**“6070.** Every company which neglects to keep such book or books as aforesaid, shall be liable to a penalty not exceeding twenty dollars for each day that such neglect continues, and also in damages for all loss or injury which any party interested may have sustained thereby. Penalty for neglect to keep books.

**“6071.** Such books shall be *primâ facie* evidence of all facts purporting to be thereby stated, in any action, suit or proceeding against the company or against any shareholder. Books primâ facie evidence.

“§ 21.—*Inspection*

**“6071a.** 1. The Provincial Secretary may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Provincial Secretary may direct, on the application of shareholders holding such a proportion of the issued stock of the company as in the opinion of the Provincial Secretary warrants the application. Investigation of affairs of company.

2. The application shall be supported by such evidence as the Provincial Secretary may require for the purpose of showing that the applicants have good reason for and are not actuated by malicious motives in requiring the investigation; and the Provincial Secretary may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry. Evidence in support of application.

3. It shall be the duty of all officers and agents of the company to produce to the inspectors all books and documents in their custody or power. Production of books, etc.

4. An inspector may examine on oath the officers and agents of the company in relation to its business, and may administer an oath accordingly. Examination of officers.

5. If any officer or agent refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable on summary conviction to a fine not exceeding one hundred dollars in respect of each offence. Penalty for refusal to produce book, etc., or to answer.

6. On the conclusion of the investigation the inspectors shall report their opinion to the Provincial Secretary, and a copy of the report shall be forwarded by the Provincial Secretary to the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them. Report to Prov. Secy.

Written or printed. 7. The report shall be written or printed, as may be directed by the Provincial Secretary.

Expenses, by whom to be paid. 8. All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Provincial Secretary directs the same to be paid by the company, which the Provincial Secretary is hereby authorized to do.

Powers of company to appoint inspectors. "6071*b*. 1. A company may, by resolution at any annual or special general meeting, appoint inspectors to investigate its affairs.

Powers of such inspectors. 2. Inspectors so appointed by the company shall have the same powers and duties as inspectors appointed by the Provincial Secretary, except that, instead of reporting to the Provincial Secretary, they shall report in such manner and to such persons as the company by resolution may direct.

Penalties. 3. Officers and agents of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Provincial Secretary.

Report of inspectors to be evidence. "6071*c*. A copy of the report of any inspectors appointed under this Part, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

#### "§ 22.—Auditors

Appointment of auditors. "6072. 1. Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

Appointment by Prov. Secy., and remuneration. 2. If an appointment of auditor is not made at a annual general meeting, the Provincial Secretary may, on the application of any shareholder of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

Disqualification. 3. A director or officer of the company shall not be capable of being appointed auditor of the company.

Casual vacancies. 4. The directors may fill any casual vacancy in the office of auditor; but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

**“6072***a.* 1. Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors. Powers and duties of auditors.

2. The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and the report shall state,— Report to shareholders.

*a.* whether or not they have obtained all the information and explanations they have required; and

*b.* whether the balance sheet referred to in the report is drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

3. The balance sheet shall be signed on behalf of the board by two of the directors of the company, and the auditor's report shall be attached to the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report, and the report shall be read before the company in general meeting, and shall be open to inspection by any shareholder. Attached to balance sheet.

4. Thereafter any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report at a charge not exceeding ten cents for every hundred words. Shareholders entitled to copies.

5. If any copy of a balance sheet which has not been signed as required by this article is issued, circulated or published, or if any copy of a balance sheet is issued, circulated, or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as is required by this article, the company, and every director, manager or other officer of the company who is knowingly a party to the default, shall, on summary conviction, be liable to a fine not exceeding two hundred dollars. Penalties for circulating improper balance sheet.

**“§ 23.—***Summary to be sent to Provincial Secretary*

**6073.** 1. Every company shall, on or before the first day of September in every year, make a summary as of date the 30th day of June preceding, specifying the following particulars,— Annual summary for Prov. Secy.

*a.* the corporate name of the company;

Particulars.

- b. the citation of the act incorporating the company and of any act amending its charter;
- c. the place of the head office of the company, giving the street and number thereof when possible;
- d. the date upon which the last annual meeting of shareholders of the company was held;
- e. the amount of the share capital of the company, and the number of shares into which it is divided;
- f. the number of shares taken from the commencement of the company up to the date of the return;
- g. the amount called up on each share;
- h. the total amount of calls received;
- i. the total amount paid on shares otherwise than in cash, showing severally the amounts paid by services, commissions or assets acquired since the last annual return;
- j. the total amount of calls unpaid;
- k. The total amount of the sums, if any, paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures;
- l. the total number of shares forfeited, and the amount paid thereon at the time of forfeiture;
- m. the total amount of shares issued as preference shares and the rate of dividend thereon, and whether cumulative;
- n. the total amount paid on such shares;
- o. the total amount of debentures authorized, and the rate of interest thereon;
- p. the total amount of debentures issued;
- q. the total amount paid on debentures, showing severally the amounts of discount thereon and the amounts issued for services and assets acquired since the last annual return;
- r. the total amount of share warrants issued;
- s. the names and addresses of the persons who at the date of the return are the directors of the company, or occupy the position of directors, by whatever name called.

Summary to  
be signed,  
filed and  
verified.

2. The said summary must be completed and filed in duplicate in the department of the Provincial Secretary on or before the first day of September aforesaid. Each of the said duplicates shall be signed by the president and the manager or, if these are the same person, by the president and by the secretary of the company, and shall

be duly verified by their affidavits. There shall also be filed therewith an affidavit proving that the copies of the said summary are duplicates.

3. If a company makes default in complying with any requirement of this article it shall be liable to a fine not exceeding twenty dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty, and such fines may be recoverable on summary conviction. Penalty for default.

4. The Provincial Secretary or an official of the department of the Provincial Secretary designated for that purpose, shall indorse upon one duplicate of the above summary the date of the receipt thereof by the Provincial Secretary, and shall return the said duplicate summary to the company, and the same shall be retained at the head office of the company available for perusal or for the purpose of making copies thereof or extracts therefrom by any shareholder or creditor of the company. Indorsement of summary.

5. The duplicate of the said summary endorsed as aforesaid shall be *prima facie* evidence that the said summary was filed in the department of the Provincial Secretary pursuant to the provisions of this article on any prosecution under paragraph 3 of this article; and the signature of an official of the department of the Provincial Secretary to the endorsement of the said duplicate shall be deemed *prima facie* evidence that the said official has been designated to affix his signature thereto. Proof of endorsement.

6. A certificate under the hand and seal of office of the Provincial Secretary that the aforesaid summary duplicate was not filed in the department of the Provincial Secretary by a company pursuant to the provisions of this article shall be *prima facie* evidence, on a prosecution under paragraph 3 of this article, that such summary was not filed in the department of the Provincial Secretary. Proof of failure to file summary.

7. Companies organized after the 30th day of June in any year shall not be subject to the provisions of this article until the 30th day of June of the following year. Companies exempt.

#### “§ 24.—Procedure

“6074. Any summons, notice, order or proceeding requiring authentication by the company, may be signed by any director, manager or other authorized officer of the company, and need not be under the seal of the company. Signature of summonses, notices, etc.

“6075. Subject to the provisions of article 6065 respecting general meetings, notices to be served by the Service of notices upon

share-  
holders.

company upon the shareholders may be served either personally or by sending them through the post, in registered letters, addressed to the shareholders at their places of abode as they appear on the books of the company.

Service of  
notice by  
post.

**“6076.** A notice or other document served by post by the company on a shareholder, shall be held to be served at the time when the registered letter containing it would be delivered in the ordinary course of post; and to prove the fact and time of service it shall be sufficient to prove that such letter was properly addressed and registered, and was put into the post office, and the time when it was put in, and the time requisite for its delivery in the ordinary course of post.

Copy of by-  
law *prima*  
*facie* |  
evidence.

**“6077.** A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as against any shareholder of the company, as *prima facie* evidence of such by-law in all courts in this Province.

Mode of  
incorpora-  
tion, how  
alleged.

**“6078.** In any action or other legal proceeding, it shall not be requisite to set forth the mode of incorporation of the company, otherwise than by mention of it under its corporate name, as incorporated by virtue of its charter.

Proof may  
be made by  
oath.

**“6079.** Proof of any matter which is necessary to be made under this section may be made by oath.

Right of  
preference  
share-  
holders as  
to examina-  
tion of  
documents.

**“6080.** Every holder of preferred shares or debentures of a company has the same right as ordinary shareholders to examine the financial statement, the auditor's report or any other report.

**“§ 25.—Offences and penalties**

Penalties.

**“6081.** Every one who, being a director, manager or officer of a company, commits any act contrary to the provisions of this Part, or fails or neglects to comply with any such provision, shall, if no penalty for such act, failure or neglect is expressly provided by this Part, be liable, on summary conviction, to a penalty of not more than two hundred dollars, or to imprisonment for not more than two months, or to both such penalty and imprisonment; provided that no proceeding shall be taken under this section without the consent in writing of the Attorney-General.

Proviso.

“PART III.

CORPORATIONS OR ASSOCIATIONS HAVING NO SHARE  
CAPITAL, INCORPORATED BY LETTERS PATENT

“§ 1.—*Definitions*

“**6082.** In this Part, and in all letters patent and supplementary letters patent issued under it, as well as in all by-laws made by the corporations, unless the context otherwise requires,—

- a. the word: “corporation” means any corporation or association to which this Part applies;
- b. the word: “undertaking” means the business or operations of every kind which the corporation or association is authorized to carry on;
- c. the word “member” means any person recognized as such by the rules or by-laws of the corporation.

“§ 2.—*Application of Part III*

“**6083.** This Part applies to:

- a. every corporation incorporated under it;
- b. every corporation existing under any special or general act which obtains letters patent under the provisions of article 6088.

Application  
of Part III.

“§ 3—*Formation of New Corporations*

“**6084.** The Lieutenant-Governor may, by letters patent under the Great Seal, grant a charter to any number of persons, not less than three, who petition therefor, for objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional, or sporting character, or the like, but without pecuniary gain.

Such charter shall constitute such persons, and others who have become subscribers to the petition and declaration hereinafter mentioned and who thereafter become members of the corporation thereby created, a body corporate and politic for any of the purposes or objects above set forth or other objects of the same nature, and for no other purpose.

“**6085.** 1. The applicants for such letters patent, who must be of the full age of twenty-one years, shall file in the Department of the Provincial Secretary a petition drawn up according to form P, setting forth,—

Incorporation by  
letters  
patent.

Effect of  
incorporation.

Petition for  
letters  
patent.

- Name;            *a.* the proposed corporate name, which shall not be that of any other known company, corporation, association or body incorporated or unincorporated, unless with the consent of the latter, or any name liable to be confounded therewith, or otherwise on public grounds objectionable;
- Purposes;        *b.* the purposes for which incorporation is sought;
- Head office;     *c.* the place within the Province where its head office is to be situated;
- Limit of property to be held;     *d.* the amount to which the immoveable property which may be owned or possessed by the company, or the revenue therefrom, is limited;
- Names, etc., of petitioners.     *e.* the names in full and the address and calling of each of the applicants, with special mention of the names of not less than three of their number, who are to be the first or provisional directors of the corporation.

Memorandum of agreement.     2. The application shall be accompanied by a memorandum of agreement, in duplicate, which shall set out the by-laws or regulations of the corporation; such document may be drawn up in the form Q. Such by-laws shall, more particularly, provide for the following matters:—

- By-laws.                             *a.* conditions for the admission of new members;
- Terms of admission. Meetings.     *b.* mode of holding meetings, rights of voting and of making, repealing or amending by-laws or regulations;
- Board of management, officers, etc.     *c.* appointment, removal and replacement of the members of the board of management or officers, the respective powers of such board, of such officers, and the remuneration which may attach to the holders of such offices;
- Audit of accounts.                *d.* provision for audit of accounts and appointment of auditors;
- Withdrawal of members.         *e.* determination whether or how members may withdraw from the corporation.

By-laws, etc., to be embodied in letters patent.     “**6086.** The petition may also request that any of the by-laws or regulations the applicants desire may be embodied in the letters patent, but in such case such by-laws shall not be repealed or amended except by the issue of supplementary letters patent.

Amendment of by-laws, etc.     By-laws or regulations not embodied in the letters patent or supplementary letters patent may be repealed or amended in accordance with the provisions referred to in article 6088c.

Coming into force of 2 of article 6085, not inserted in the letters patent, shall

come into force at the same time as the charter of the corporation, and may be repealed in accordance with the preceding paragraph.

certain by-laws. Repeal of same.

**“6087.** Notice of the granting of the letters patent, shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form R; and, subject to such publication, but counting from the date of the letters patent, the persons therein named, and such persons as thereafter become members of the corporation, shall be a corporation, by the name mentioned in the letters patent.

Notice of issuing of letters patent.

Incorporation.

**“6088.** Any existing corporation created by or under any special or general act for any of the objects mentioned in article 6084 may apply under this Part for the issue of letters patent creating it a corporation under this Part, and the Lieutenant-Governor may issue such letters patent incorporating the members of the said corporation as a corporation governed by the provisions of this Part.

Existing corporations may place themselves under Part III.

Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form S; and, subject to such publication, but counting from the issue of such letters patent, all the rights, property and obligations of the former corporation shall be and become transferred to the new corporation, and all proceedings may be continued or commenced by or against the new corporation that might have been continued or commenced by or against the old corporation.

Notice of issue of letters patent.

Transfer of assets, etc.

The corporation shall thereafter be governed in all respects by the provisions of this Part, except that the liability of the members to creditors of the old corporation shall remain as at the time of the issue of the letters patent.

Rights of creditors not affected.

**“6088a.** The annual subscription or contribution of the members of the corporation or association must be paid in money at the dates and places and in the manner fixed by the by-laws or regulations.

Annual subscription to be paid in money.

**“6088b.** Every year a list shall be prepared of the duly qualified members, and each of them shall be entitled to take communication thereof.

List of members.

**“6088c.** The articles of Part I of this section shall apply, *mutatis mutandis*, to every corporation or association incorporated under the provisions of this Part, except the following:

Articles of Part I to apply.

Exceptions. 5958 and 5959; 5961; 5962; paragraphs 1 and 2 of 5963; 5966; 5967*a* to 5967*e*, inclusive; 5971; 5972; 5982 to 5984 inclusive; 5986 to 5991 inclusive; 5991*a* and 5991*b*; 5992 to 5994 inclusive; 5994*a* to 5994*d* inclusive; 5995 to 6008 inclusive; 6010; 6010*a*; 6011; 6015; sub-paragraphs *a* and *b* of paragraph 2 of 6020; 6020*a*; 6021; 6023; sub-paragraphs *j* and *k* of paragraph 3 of 6024*a*; 6024*e*; 6024*f*; sub-paragraphs *d* and *e* of paragraph 1 and paragraph 2 of 6025; 6030*c*; 6030*d*; sub-paragraphs *e*, *f*, *g*, *h*, *i*, *j*, *k*, *l*, *m*, *n*, and *r* of paragraph 1 of 6031; 6039 and 6040.

Interpretation of terms in Part I.

“**6088d**. In applying to corporations created under this Part those sections of Part I of this section which apply to such corporations,—

*a.* the word “company” shall be deemed to mean a corporation so created;

*b.* the word “shareholder” shall be deemed to mean a member of such a corporation;

*c.* a provision that the votes of shareholders representing a specified proportion in value of the stock of a company shall be requisite for any purpose, shall be deemed to mean that the votes of a like proportion in number of the members of the corporation are requisite for that purpose.

Other laws to apply.

“**6089**. No provision of this Part shall have the effect of withdrawing any corporation incorporated thereunder, from the provisions of any other law which is applicable thereto.

#### “§ 4.—*Tariff of Fees.*”

Tariff of fees.

“**6090**. The Lieutenant-Governor in Council may establish, alter, replace or repeal the tariff of the duties and fees to be paid on the doing of any act to be done by the Provincial Secretary, by the department over which he presides or by an officer of such department, as well as as by the Lieutenant-Governor or by any person whomsoever, under this Part.

Regulations by Lt. Gov. in C.

The Lieutenant-Governor in Council may likewise, from time to time, determine all other matters and prescribe all formalities necessary to ensure the carrying out of the objects of this Part.

No act to be done or document issued until fees paid.

No act to be done by the Provincial Secretary, or document or certificate to be issued by him under this Part, shall be so done or issued until after due payment of all the fees payable in respect thereof.”

R. S., 6111, am.

**2.** Article 6111 of the Revised Statutes, 1909, is amended by inserting therein, after the word: “company”, in

the first line thereof, the words: "other than companies incorporated under the Quebec Companies' Act, 1920".

**3.** Any reference in any previous act, still in force, in-<sup>Interpreta-</sup>corporating or amending the charter of any company, or <sup>tion.</sup> in any proclamation, order in council, regulation, instrument or document, to any provision of the Revised Statutes, 1909, or to the general act previous thereto, repealed by this act, with regard to any subsequent transaction, matter or thing, shall be deemed to be a reference to the provisions of this act to the same effect as the act or provision repealed.

**4.** The acts, or parts thereof, mentioned in the annex <sup>Provisions</sup> to this act, are repealed to the extent therein set forth. <sup>repealed.</sup>

**5.** This act shall come into force on the day of its <sup>Coming</sup> sanction. <sup>into force.</sup>

ANNEX

<i>Citation of the act</i>	<i>Title</i>	<i>Extent of the repeal</i>
R. S., 1888.....	Joint Stock Companies Incorporation Act.....	Arts. 4694 to 4753, and Schedules A and B.
58 Victoria, chapter 37....	An Act to amend the Joint Stock Companies' Incorporation Act.....	Section 1.
61 Victoria, chapter 36....	An Act to amend the Joint Stock Companies' Incorporation Act.....	Section 1.
2 Edward VII, chapter 31....	An Act to amend the law respecting Joint Stock Companies.....	Sections 2 and 3.
4 Edward VII, chapter 33....	An Act to amend the Joint Stock Companies' Incorporation Act	Section 1.
6 Edward VII, chapter 30....	An Act to amend section second of chapter third of title 11th of the Revised Statutes.....	Section 1.

## ANNEX—Continued

<i>Citation of the act</i>	<i>Title</i>	<i>Extent of the repeal</i>
6 Edward VII, chapter 31....	An Act to amend the law respecting Joint Stock Companies.....	Section 3.
9 Edward VII, chapter 60....	An Act to amend the Joint Stock Companies Incorporation Act and the Quebec Companies' Act, 1907.....	Section 1.
R. S., 1909.....	Joint Stock Companies General Clauses Act.....	Arts. 5957 to 6090, and Forms A, B, C, D and E.
3 George V, chapter 44....	An Act respecting Trust Companies.....	Section 2.
7 George V, chapter 42....	An Act to amend the Quebec Companies' Act.....	Sections 1 and 2.
9 George V, chapter 63....	An Act to amend the Quebec Companies' Act respecting certain advertisements.....	The whole.

## FORMS

## A.—(Article 5959, § 2)

*Notice of Supplementary Letters Patent respecting existing companies*

Notice is hereby given that under Part I of the Quebec Companies' Act, 1920, supplementary letters patent, bearing date the \_\_\_\_\_ day of \_\_\_\_\_, were issued by the Lieutenant-Governor of the Province of Quebec, amending the charter, being (*here give the nature of the charter, with the date thereof,*) of the \_\_\_\_\_ Company, (*here state the name of the company*), as follows: (*here state the amendments mentioned in the supplementary letters patent*)

Dated at the office of the Provincial Secretary, this  
day of \_\_\_\_\_, 19 \_\_\_\_\_.

A. B.,  
Provincial Secretary.

## B.—(Articles 5962, 5963, 5967a)

*Petition for Incorporation*

To His Honour the Lieutenant-Governor of the Province of Quebec:

The petition of  
respectfully showeth as follows:—

The undersigned petitioners are desirous of obtaining letters patent under the provisions of Part I of the Quebec Companies' Act, 1920, constituting your petitioners and such others as may become shareholders in the company thereby created, a body corporate and politic under the name of

or such other name as shall appear to you to be proper in the premises.

The undersigned have satisfied themselves and are assured that the proposed corporate name of the company under which incorporation is sought, is not the corporate name of any other known company incorporated or unincorporated, (*or as the case may be*) or any name liable to be confounded therewith or otherwise on public grounds objectionable;

Your petitioners are of the full age of twenty-one years;

The purposes for which incorporation is sought by the petitioners are:

The head office of the proposed company will be at  
in the district of ;

The amount of the capital stock of the company is to be  
dollars, divided into  
shares of dollars each.

*(If the capital stock is to include preferred shares)*

(1) The part of the capital stock to be issued as preferred shares is dollars divided into shares of dollars each.

*(In such case the petition must contain all the provisions which must appear in a by-law passed under article 5989, authorising the issue of part of the capital stock as preferred shares);*

*(If the capital stock is to be divided into shares having no nominal or par value, with or without preferred stock)*

(1) The capital stock of the company is divided into shares having no nominal or par value, and the amount of capital stock with which the company will commence its operations will be \_\_\_\_\_ dollars;

*(Or, as the case may be)*

(1) The capital stock of the company is divided into shares having no nominal or par value, and into \_\_\_\_\_ preferred shares of \_\_\_\_\_ dollars each; *(In this case the petition must contain all the provisions which must appear in a by-law passed under article 5989 authorizing the issue of part of the capital stock as preferred shares)*, and the amount with which the company will commence its operations will be \_\_\_\_\_ dollars;

(1) Shares other than preferred shares shall be issued and allotted at the price of \_\_\_\_\_ dollars *(or, as the case may be, at such price as may be fixed by the directors)*;

The following are the names in full and the address and profession or calling of each of the petitioners, with the number of shares subscribed by each petitioner respectively:

Petitioners	Profession or calling	Number of shares Subscribed
		Common shares
		Preferred shares

1) These declarations may be omitted, as the case may be.



agree each with the other to become incorporated as a company under the provisions of Part I of the Quebec Companies' Act, 1920, under the name of The \_\_\_\_\_ Company, or such other name as the Lieutenant-Governor of the Province of Quebec may give to the company, with a capital of \_\_\_\_\_ dollars divided into \_\_\_\_\_ shares of \_\_\_\_\_ dollars each (or into preferred, shares or common shares, as the case may be, of \_\_\_\_\_ dollars each (or into \_\_\_\_\_ shares without nominal or par value, etc. as the case may be).

And we do hereby severally, and not one for the other, subscribe for and agree to take the respective amounts of the capital stock of the said company set opposite our respective names as hereunder and hereafter written, and to become shareholders in such company to the said amounts.

In witness whereof we have signed.

Name of Subscriber	Amount of Subscription.		Date and place of subscription.		Residence of Subscriber	Name of Witness
	Common Shares.	Preferred Shares	Date.	Place.		

D. (Article 5966)

*Notice of issue of Letters Patent*

Notice is hereby given that under Part I of the Quebec Companies' Act, 1920, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, incorporating (here state name, address and calling of each shareholder named in the letters patent), for the purpose of (here state the undertaking of the company, as set forth in the letters patent), by the name of (here state the name of the company as in the letters patent)

with a total capital stock of \_\_\_\_\_ dollars, divided into \_\_\_\_\_ preferred shares (*if any*), and \_\_\_\_\_ common shares (*as the case may be*) of \_\_\_\_\_ dollars, or \_\_\_\_\_ shares without nominal or par value.

The head office of the company will be at (*name of place, street and number*).

Dated at the office of the Provincial Secretary, this  
day of \_\_\_\_\_, 19 .

A. B.,  
Provincial Secretary

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E.—(*Article 5967*)

*Notice of correction of Letters Patent (or, as the case may be) notice of new letters patent correcting the letters patent already issued*

Notice is hereby given that, under Part I of the Quebec Companies' Act, 1920, the Lieutenant-Governor of the Province of Quebec has been pleased to correct (*or to issue new letters patent*) of date the \_\_\_\_\_ day of \_\_\_\_\_ 19 , or to replace the letters patent bearing date the \_\_\_\_\_ day of \_\_\_\_\_ 19 , of (*here state the name of the company*), in the following manner (*here state briefly the correction, or state the tenor of the new letters patent*).

Dated at the office of the Provincial Secretary, this  
day of \_\_\_\_\_, 19 .

A. B.,  
Provincial Secretary.

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F.—(*Article 5967b*)

*Notice of Letters Patent issued for a company already incorporated in this Province.*

Notice is hereby given that under Part I of the Quebec Companies' Act, 1920, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the \_\_\_\_\_ day of \_\_\_\_\_ 19 , incorporating as a company governed by the said act, the company (*name of the company*) already incorporated by (*here state its manner of incorporation*), for the purpose of (*here state the undertaking of the company, as set forth in the*

letters patent), by the name of (*here state the name of the company as in the letters patent*). The total capital stock of the company is \_\_\_\_\_ dollars, divided into \_\_\_\_\_ common shares, and into \_\_\_\_\_ preferred shares (*as the case may be*) of \_\_\_\_\_ dollars each, or into \_\_\_\_\_ shares having no nominal or par value, and with its head office at (*name of place*).

Dated at the office of the Provincial Secretary, this  
day \_\_\_\_\_, 19 \_\_\_\_\_.

A. B.,  
Provincial Secretary.

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G.—(*Article 5967e*)

*Notice of Letters Patent or Supplementary Letters Patent  
incorporating as a joint stock company a corporation  
without share capital*

Notice is hereby given that under Part I of the Quebec Companies' Act, 1920, letters patent (*or, as the case may be,*) supplementary letters patent, bearing date the day of \_\_\_\_\_, were issued by the Lieutenant-Governor of the Province of Quebec, to confirm a by-law of the (*here state the name*) corporation, already incorporated without share capital, under the provisions of article 6084 (*or, here give other details respecting the incorporation*), providing for the creation of a capital divided into shares, of \_\_\_\_\_ dollars, divided into \_\_\_\_\_ common shares, and (*as the case may be*) \_\_\_\_\_ preferred shares of \_\_\_\_\_ dollars each, (*or as the case may be*), into shares having no nominal or par value.

The principal place of business of the company is at (*name of the place*),

Dated at the office of the Provincial Secretary, this  
day \_\_\_\_\_, 19 \_\_\_\_\_.

A. B.,  
Provincial Secretary.

NOTE.—Give all further details, if any, mentioned in Form B, respecting the allotment of shares, etc.

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## H.—(Article 5967f)

*Notice of Letters Patent confirming the petition for amalgamation of companies*

Notice is hereby given that, under Part I of the Quebec Companies' Act, 1920, letters patent, bearing date the day of 19 , have been issued by the Lieutenant-Governor of the Province of Quebec, authorizing the amalgamation of (*here give the names of the companies, and after each, the way in which it was incorporated*), for the purpose of (*here state the objects which the company is authorized to undertake*), under the name of (*here give the name as in the letters patent*), with a total capital of dollars, divided into common shares and preferred shares, (*as the case may be*) of dollars each, or (*as the case may be*) into shares without nominal or par value.

The head office of the company will be at (*name of the place*).

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,  
Provincial Secretary.

## I.—(Article 5968)

*Notice of Supplementary Letters Patent changing the name of a company*

Notice is hereby given that under Part I of the Quebec Companies' Act, 1920, supplementary letters patent, bearing date the day of 19 , were issued by the Lieutenant-Governor of the Province of Quebec, changing the name of the Company, incorporated by letters patent (*or supplementary letters patent, as the case may be*), bearing date the day of under the name of (*original name*) to that of (*here state the new name*), for the following purposes (*here give the tenor of the original letters patent, mentioning all details, including the capital and the head office.*)

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,  
Provincial Secretary.

## J.—(Article 5973a, 6045a)

*Notice of acceptance of Surrender of Charter*

Notice is hereby given that under Part I (*or, as the case may be, Part II*) of the Quebec Companies' Act, 1920, the Lieutenant-Governor of the Province of Quebec has been pleased to accept the surrender of the charter of the (*give the name of the company*), incorporated by (*here state the manner of incorporation*) dated the                      day of  
19 .

Notice is also hereby given that from and after the date of the publication of this notice, the said company shall be dissolved.

Dated at the office of the Provincial Secretary, this  
day of                      , 19 .

A. B.,  
Provincial Secretary.

## K.—(Articles 5976, 6048)

*Notice of the situation of or of any change in the address of the head office*

Notice is hereby given that the (*name*) company incorporated by (*give the manner of incorporation*), on the                      day of                      , 19                      , and having its head office in (*name of the place*), has established its office at No.                      street; (*or, in the case of a change of address*), where its office was situated up to-to-day, at (*give the old address*), has moved it to (*give the new address*).

From and after the date of this notice the said office shall be considered by the company as being the head office of the company.

Dated at (*name of the place*), this day of                      , 19                      ,

Signature of the authorized officer.

L.—(*Article 5981*)*Notice of Supplementary Letters Patent granting further Powers and restricting the Powers*

Notice is hereby given that under Part I of the Quebec Companies' Act, 1920, supplementary letters patent, bearing date the \_\_\_\_\_ day of \_\_\_\_\_, were issued by the Lieutenant-Governor of the Province of Quebec, granting further powers to, (or restricting the powers of, as the case may be) the \_\_\_\_\_ Company, (*here state the other purposes or objects or the restrictions, mentioned in the supplementary letters patent*).

Dated at the office of the Provincial Secretary, this day of \_\_\_\_\_, 19 .

A. B.,  
Provincial Secretary.

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M.—(*Article 5997*)*Notice of Supplementary Letters Patent changing the Amount of the Capital or changing the value of the shares*

Notice is hereby given that, under Part I of the Quebec Companies' Act, 1920, supplementary letters patent, bearing date the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, have been issued by the Lieutenant-Governor of the Province of Quebec, increasing (or reducing, as the case may be) the capital of (*here state the name of the company*), from \_\_\_\_\_ dollars to \_\_\_\_\_ dollars, the additional capital being divided into \_\_\_\_\_ shares of \_\_\_\_\_ dollars each ; or subdividing, or consolidating into shares of a greater par value (*as the case may be*) the shares of the stock of the (*here state the name of the company*), originally divided into \_\_\_\_\_ shares of \_\_\_\_\_ dollars, each.

Dated at the office of the Provincial Secretary, this day of \_\_\_\_\_, 19 .

A. B.,  
Provincial Secretary.

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## N.—(Article 6024f, 6065f)

*Proxy**(Name of the Company or Corporation)*

I, (a) \_\_\_\_\_ of \_\_\_\_\_ being the one of the shareholders of \_\_\_\_\_ owner of \_\_\_\_\_ common or preferred shares, hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote for me and in my name at the annual (or special) general meeting of the company (or corporation), to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ and at any adjournment thereof, and, (as the case may be,) revoke the proxy of date \_\_\_\_\_, 19\_\_\_\_, in favour

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Witness (b)

N. B.—(a) If the appointor is a corporation or one of its officers, the form must be varied accordingly. (b) If the proxy is issued by a corporation, it must bear its seal.

## O.—(Article 6054k)

*Notice of letters patent subdividing or consolidating the shares*

Notice is hereby given that under Part II of the Quebec Companies' Act, 1920, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, subdividing (or consolidating into shares of a greater par value, (as the case may be) the shares of the stock of (here state the name of the company), originally divided into \_\_\_\_\_ shares of \_\_\_\_\_ dollars each such shares now being subdivided (or consolidated, as the case may be), into \_\_\_\_\_ shares of \_\_\_\_\_ dollars each.

Dated at the office of the Provincial Secretary, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

A. B.,  
Provincial Secretary.

## P.—(Article 6085)

*Petition for Incorporation*

To His Honour the Lieutenant-Governor of the Province of Quebec:

The petition of  
respectfully showeth as follows:—

The undersigned petitioners are desirous of obtaining letters patent under the provisions of Part III of the Quebec Companies' Act, 1920, constituting your petitioners and such others as may become members in the corporation thereby created a body corporate and politic, without share capital, under the name of

or such other name as shall appear to you to be proper in the premises.

The undersigned have satisfied themselves and are assured that the proposed corporate name of the corporation under which incorporation is sought, is not the corporate name of any other known corporation incorporated or unincorporated, unless with the consent of the latter, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

Your petitioners are of the full age of twenty-one years.

The purposes for which incorporation is sought by the petitioners are:

The head office of the corporation will be at  
in the district of

The amount to which the value of (*or* the annual revenue from) the immoveable property which the corporation may possess, is to be limited, is                      dollars.

The following are the names in full and the address and profession or calling of each of the petitioners:

Petitioners	Profession or calling	Address



poration, without share capital, under the provisions of Part III of the Quebec Companies' Act, 1920, under the name of The \_\_\_\_\_, or such other name as the Lieutenant-Governor of the Province of Quebec may give to the corporation.

And we do hereby severally agree to become members of the corporation, and subject to by-laws containing the following provisions:

In witness whereof we have signed.

Name of Applicant	Calling and Residence	Name of Witness

R.—(Article 6087)

*Notice of issue of Letters Patent*

Notice is hereby given that under Part III of the Quebec Companies' Act, 1920, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, to incorporate as a corporation without share capital, (*here give the name, address and calling of each of the members of the corporation as mentioned in the letters patent*) for the purpose of (*here give the objects as set out in the letters patent with those by-laws insertion of which in the letters patent is applied for*); under the name of (*here give the name of the corporation as in the letters patent*).

The head office of the corporation will be at (*name of place*).

Dated at the office of the Provincial Secretary, this  
day of \_\_\_\_\_ 19\_\_\_\_.

A. B.,  
Provincial Secretary.

## S.—(Article 6088)

*Notice of letters patent issued to an existing corporation without share capital, previously incorporated under an act of this Province*

Notice is hereby given that under Part III of the Quebec Companies' Act, 1920, letters patent have been issued by the Lieutenant-Governor, of Province of Quebec, bearing date the        day of       , to constitute a corporation without share capital, under the name of (*here give the name under which the company wishes to be incorporated*), the (*here give the name of the existing corporation*) incorporated by (*here state how it was originally incorporated, and the date of the incorporation*), and that (*here give the details required by article 6085*).

Dated at the office of the Provincial Secretary, this  
day of        19       .

A. B.,  
Provincial Secretary.

## C H A P. 73

An Act to amend the Revised Statutes, 1909, respecting protestant cemeteries

[Assented to, 14th of February, 1920]

Preamble.

**W**HEREAS a certain number of protestant cemeteries at various points in the Province of Quebec, have, by lack of proper and permanent control, and organization, become dilapidated and are in a discreditable condition;

Whereas proper respect for the dead demands that such cemeteries should be kept in a decent state of repair;

Whereas provision is made in the Revised Statutes, 1909, for the incorporation of new cemeteries by the Lieutenant-Governor, but no such provision exists for incorporating a company to maintain and manage in like manner cemeteries already existing;

Whereas it is expedient that such incorporation should be provided for;

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

R. S., 6821, am. **1.** Article 6821 of the Revised Statutes, 1909, is amended by adding thereto the following paragraphs: