

## CHAP. 117

[Assented to 14th April, 1908]

An Act to incorporate *Le Comptoir Mobilier Franco-Canadien*

**W**HEREAS Honourable Adélarde Turgeon of Quebec, Preamble.  
 advocate, and Minister of Lands and Forests of the Province of Quebec ; Honourable Ernest F. de Varennes, of Waterloo, P. Q., notary and member of the Legislative Council of the Province of Quebec ; Mr. Louis Arsène Lavallée, of Montreal, advocate and alderman of the city of Montreal ; Mr. Duncan McDonald, of Montreal, railway manager, and Mr. Joseph U. Emard, of Montreal, advocate and mayor of the village of Boulevard St. Paul have, by their petition, prayed for an act to incorporate *Le Comptoir Mobilier Franco-Canadien*, and whereas it is expedient to grant such prayer ;

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

## INCORPORATION

**1.** A corporation is created and constituted under the name Name.  
 of "*Le Comptoir Mobilier Franco-Canadien*." It shall consist of the persons mentioned in the preamble or their representatives and of all shareholders of the corporation. Persons incorporated.

## HEAD OFFICE

**2.** The head office of the company shall be in the city of Head office.  
 Montreal at such place as may be determined by its board of management.

**3.** The board may authorize the establishment of agencies Agencies.  
 or branches at any other place.

## OBJECTS AND POWERS

**4.** The object of the company is to promote, by means of Objects of  
 French and other capital, the development of the financial, company.  
 industrial and commercial interests of the country and the utilization of its natural resources. It shall have perpetual succession and shall, both for itself and on behalf of or jointly with third parties, do and perform all acts, operations, undertakings and works connected directly or indirectly with the foregoing or for the purposes hereinafter set forth.

**5.** The company's business shall consist chiefly of the Business of  
 following : company.

a. Financial operations; the purchase, sale and management of securities, rights, concessions, public and private, and moveable and immoveable properties; loans of all kinds; the receiving and turning to account of securities, moneys, merchandize, precious metals and other goods or moveable effects; the promotion, organization and development of all associations or companies in which it may hold or acquire interests; and generally all transactions peculiar to financial establishments.

b. Commercial, industrial and real estate operations; the purchase, sale, manufacture and utilization of all articles of trade or other moveables; the opening and administration of counting houses, shops, warehouses, workshops and other establishments; the development of natural, agricultural, mineral, forest and other riches; the purchase of lands, the erection and turning to account of income-producing buildings and houses, hotels, residences, factories and others.

c. Undertakings and works of a public and private nature; their development, execution and turning to account.

Acquisition  
of property,  
&c.

**6.** The company may do everything necessary for the carrying out of its undertakings and operations and especially acquire, hold and sell moveable and immoveable properties and dispose of the same at will; receive, in addition to the interest on the sums loaned by it, certain advantages or a share of the profits derived from the property pledged as security for such loans; carry on financial or other operations; hold shares or debentures of other companies or corporations and, notwithstanding any law to the contrary, be represented therein by one or more proxies; acquire and exercise, for its purposes, the powers of the companies or corporations whose property it may acquire; possess warehouses and stores, receive on consignment or otherwise commodities, merchandize and goods, and moveable effects of all kinds.

Guaranteeing  
loans of other  
corporations,  
&c.

**7.** It shall be lawful for the company to guarantee, by endorsement or otherwise, the loans, bonds, debentures or securities of any corporation or association duly authorized to issue the same, and to enter into arrangements with such companies or associations for the administration of the goods and property pledged as security.

#### CAPITAL STOCK

Capital  
stock.

**8.** The capital stock shall be three million dollars. It shall be divided into thirty thousand shares of one hundred dollars each, twenty thousand whereof shall be preferred and ten thousand shall be ordinary shares.

**9.** The board of management may issue fully paid up shares of the common stock of the company in payment of services rendered and of administrative, and financial co-operation.

Paid up stock for certain purposes.

**10.** The board shall have all the powers for determining the amount, date, rate and conditions of the issues, as well as of the amount of the calls, the method and delay allowed for the payment thereof, brokers' commissions, the nature of the certificates and all questions concerning the issue and allotment of such shares.

Powers of board as to issue of stock, &c.

**11.** Preferred and ordinary shares shall be on an equal footing and have identical rights, except the privilege given preferred shares as regards dividends and in the division of the assets, in the event of liquidation.

Preferred and ordinary shares.

**12.** Provisional certificates to order only shall be delivered until the shares are fully paid up.

Provisional certificates.

**13.** When calls on shares are not paid at the date fixed by the board, interest shall be due thereon, at the rate of seven per cent per annum, without any suit at law.

Interest on unpaid calls.

**14.** Certificates to order or to bearer shall be delivered to holders of paid up shares on conditions to be determined by the board.

Certificates of shares.

**15.** The possession of a share entails *de jure*, adhesion to the statutes and by-laws of the company and to the decisions of the general meetings.

Shareholders subject to by-laws, &c.

**16.** The rights and obligations connected with a share, follow the certificate thereof into whomsoever's hands it may pass.

Rights, &c., of shareholders transferable.

**17.** The company is in no wise responsible for the validity of transfers.

Company not answerable for validity of transfers.

**18.** Certificates of shares shall be taken from a register with a counter-foil, on which counter-foil the certificates detached therefrom shall be described with their date, destination and all other details and, in case of exchange, the certificates that have been brought back.

Register of certificate, &c.

**19.** In the event of the loss or destruction of the certificates, the company shall not be bound to replace the same until the board of management is satisfied with the proof and guarantees produced or until all the formalities deemed necessary have

Loss, &c., of certificates.

been fulfilled at the expense of the claimant. The board shall further determine the conditions on which the certificate shall be replaced and may exact security or deliver only a non-transferable certificate to order.

## BONDS

**Borrowing on bonds, &c.** **20.** The company may contract loans on its credit or in connection with its investments by means of an issue of bonds or debentures, or otherwise.

**Conditions fixed by board.** **21.** The board shall, without the intervention of the general meeting decide upon such loans and fix the amount, conditions and mode of issue, the security and the repayment thereof.

**Securing of bonds, &c.** **22.** The company may secure its debentures by pledge, or otherwise in the hands of the holders or of trustees upon the whole of its goods, securities and property or a portion thereof, and may hypothecate its immoveables.

**Currency in which bonds payable, &c.** **23.** The bonds of the company shall be issued in dollars, francs or other foreign currency. The total amount of the current debentures shall not in any case exceed seventy five per cent of the property and assets of the company.

**Certain conditions of issue.** **24.** It shall be lawful for the company to issue bonds or debentures under the following conditions :

- a. To order or to bearer ;
- b. Transferable by mere delivery or by registration in the books of the company ;
- c. For any period of time not exceeding fifty years ;
- d. For sums of twenty dollars or one hundred francs, or over.

**Numbered certificates, &c.** **25.** The bonds or obligations shall be represented by numbered certificates, bearing the signature of the secretary and president or of two directors, as well as the seal of the company.

**Register of certificates, &c.** **26.** The certificates shall be taken from registers with a counter-foil, on the counter-foil whereof the attached certificates shall be clearly described, with their date and destination.

**Company not responsible for validity of transfers.** **27.** The company shall not in any case be responsible for the validity of the transfers.

## BOARD OF MANAGEMENT

**Board of management.** **28.** The company shall be managed by a board of management of three members at least and of ten at the most.

- 29.** At least one-third of the members of the board shall be British subjects, residing in Canada. Proportion to be British subjects.
- 30.** The first board of management shall be appointed by the persons mentioned in the preamble, or their representatives, and shall remain in office for five years. First board how appointed, &c.
- 31.** The board shall then be renewed wholly for a period of two years, and so on at the end of each period of two years. Term of office of subsequent boards, &c.
- 32.** The directors going out of office are always re-eligible. Directors re-eligible.
- 33.** Any director may be represented at a meeting of the board by one of his colleagues, by means of a written proxy, valid for a specified time, but always revocable at will, even before the expiration of its term. Absent directors may also give their vote in writing upon a specific question. Director proxies, &c.
- 34.** The board shall have the most extensive powers as regards the company's affairs. Powers of board.
- 35.** It shall annually appoint the president, vice-president, secretary and other officers of the company. Appointment of president, &c.
- 36.** The officers who do not form part of the board shall remain in office until removed or replaced. Officers how long to remain in office.
- 37.** In order to be valid, the resolutions of the board must be adopted at meetings consisting of at least two directors present, and the directors present or represented by proxies must constitute at least one-third of all the members of the board. Every decision adopted outside of such conditions may be validated with retroactive effect at a subsequent meeting regularly held within a delay of thirty days. Resolutions of board. Ratification of certain resolutions.
- 38.** The decision of the board shall be adopted by the majority of the votes of the members present or represented. Nevertheless, the adherence of the majority of the members forming part of the board is required in the following cases : Majority vote sufficient.
- a. Adoption and amendment of by-laws ; Proviso.
  - b. Issue of shares and debentures ;
  - c. Every decision entailing engagements for an amount exceeding twenty thousand dollars ;
  - d. Provisional appointment of directors.
- 39.** In case of vacancy, the board shall provide for the filling of the same and the directors so appointed shall Filling of vacancies.

remain in office for the remainder of the period for which their predecessors were appointed, unless removed or replaced by the general meetings.

## GENERAL MEETINGS

- General meetings.** **40.** The general meetings regularly constituted shall represent the whole of the shareholders,
- Of whom to consist, &c.** **41.** It shall consist of shareholders holding or representing at least twenty shares, each shareholder having as many votes as he represents or holds the number, of twenty shares at the meeting.
- List to be prepared by board, &c.** **42.** The list of shareholders entitled to form part of the general meeting shall be decided by the board of management. It shall indicate opposite the name of each, the number of shares held by him.
- List where to be deposited, &c.** **43.** Such list shall be kept, at least five days before the date of the meeting, at the disposal of the shareholders who wish to take cognizance of the same, at the head office in Montreal and at the place where the general meeting is held.
- Proxies.** **44.** No one can be replaced except by a proxy who is himself a member of the meeting.
- Date of meeting.** **45.** The general meeting shall meet each year before the thirty-first of March, at the place chosen by the board.
- Extraordinary meetings called by board.** **46.** An extraordinary meeting may also be held whenever the board of management considers the same necessary and at such place as it may indicate.
- Or by shareholders, &c.** **47.** Shareholders representing one fourth of the capital stock shall have at any time the right to call an extraordinary general meeting of the shareholders for the transaction of business set forth in the notice calling the same. Special written notice shall be given at the same time to the board of management which thereupon shall be bound to act as if the meeting had been called by itself.
- Notice thereof.** **48.** The meetings shall be called at least twenty days before they occur by means of a notice published in a daily newspaper in Montreal and a daily newspaper published in Paris, such notice specifying the date, hour and place where such general meeting is to be held, as well as the date and place where the shareholders must deposit their certificates.
- Its contents.**

**49.** The board shall determine the conditions respecting Deposit of the deposit of the certificates unless it be provided by the certificates. by-laws.

**50.** The shareholders shall, in all cases, have the right to Deposit of deposit their certificates in Europe, at the office of the general same in Europe, agency, or in default with a banking house designated by the board, &c.

**51.** General meetings shall be regularly constituted when Quorum at one fourth of the shares forming the capital stock are represented thereat. general meetings.

**52.** If the condition provided for in the foregoing article Calling of be not fulfilled, the meeting shall be called a second time at an meeting if no interval of at least one month. quorum.

**53.** The members present at the second meeting, whatever What matters may be the number of shares they represent, may validly be considered. deliberate, but only on such matters as were on the order of the day for the first meeting.

**54.** The officers of the meeting shall consist of a chairman, Chairman, two scrutineers and a secretary. &c.

**55.** The president of the board shall be *ex-officio* chairman President, of the meeting; in his absence the meeting shall be pre- &c., *ex officio* sided over by the vice-president and in the absence of both, chairman. by a director or shareholder designated by the board.

**56.** The duties of scrutineers shall be performed by two Scrutineers. shareholders, holding the greatest number of shares, both in their own name and as proxies and, in case of their refusal, by two shareholders who follow them next in order on the list, until the office is accepted.

**57.** The chairman and two scrutineers shall appoint a Secretary of secretary. meeting.

**58.** The meeting shall hear the report of the board of man- Report of agement on the situation of the company's affairs and also board, &c. the report of the comptroller.

**59.** It shall decide upon the yearly accounts and upon Decision the endowments upon the reserve and sinking funds, and fix upon yearly the dividend. It may, by anticipation, authorize the payment accounts, &c. of the cumulative interest attributed by the charter to preferred stock, provided such payment does not affect the rights of third parties.

Appointment of directors, &c. **60.** It shall appoint the directors and the comptroller whenever necessary and remove them at any time at will, even before the expiration of their term of office.

Increase of capital stock, &c. **61.** It shall, when the proposition is submitted to it by the board of management, deliberate upon the increase of the capital stock, and the adoption or amendment of by-laws.

Decision upon interests of company. **62.** It shall decide finally upon all the interests of the company.

#### CHARTER AND BY-LAWS

Company how governed. **63.** The company shall be governed by its charter and by its by-laws.

Joint Stock Co. Gen. Clauses Act to apply, &c. **64.** The Joint Stock Companies' General Clauses Act shall apply only in cases not provided for or not amended by the charter of the company or by its by-laws.

Charter to govern. **65.** In the event of conflict between the charter and the general clauses or the common law or in the event of varying provisions or of double provisions upon any one point, the provisions of the charter alone shall have force and effect.

#### BOOKS OF THE COMPANY

Stock books, &c. **66.** The stock books shall be kept open every month from the seventh to the tenth at the head office of the company, during ordinary business hours, for the purposes of being examined by any person holding a power of attorney from shareholders or creditors of the company, representing an interest of at least ten thousand dollars. The latter may obtain certified extracts therefrom on payment of the fees fixed by the board of management.

#### ANNUAL ACCOUNTS AND INVENTORIES

Fiscal year. **67.** The company's year shall begin on the first of January and end on the thirty-first of December following.

First fiscal year. **68.** The first year shall comprise what remains of the current year on the date when the company is organized, and the whole of the year following.

Yearly statements. **69.** The statements of account to be presented yearly at the ordinary general meeting of the shareholders shall be drawn up by the board,

**70.** The report of the comptroller shall be submitted to the general meeting; it may serve as a basis for establishing the statement of account, and justify the payment of the dividends.

#### COMMITTEES

**71.** The board may delegate a portion of its powers to one or more persons by special mandate but only for a specified object and for a limited period.

#### COMPTROLLER

**72.** An officer shall be appointed every year by the general meeting who shall be called the comptroller and who shall perform the duties of an inspector and auditor, and a censor.

**73.** The comptroller shall see to the observance of the charter and by-laws, audit the books and accounts, check the issue of shares and debentures, check the cash, inspect the securities and properties of the company and establish the validity of its titles. He shall further, when thereunto required by the board, make out an estimate of the company's assets, based on the realized value or on the yield of such assets.

**74.** He shall draw up a report of the whole which he shall hand to the board at least ten days before the annual meeting.

**75.** The general meeting or in its default, the board shall determine the date of the audit and inspection by the comptroller as well as his remuneration.

**76.** The comptroller shall, for the purposes of his duties, have access to the office books, records and properties of the company, in the presence of the officers having charge of the same. He may, if necessary, associate an expert with himself for the purpose of valuing the assets, provided he is previously authorized thereto by the board.

#### DIVIDENDS

**77.** The net proceeds after deducting all charges shall constitute the profits of the company.

**78.** Upon these profits shall be levied first of all :  
 a. Five per cent to constitute a reserve fund. This shall

cease to be levied as soon as the reserve fund shall reach the amount of one fourth of the preferred stock issued;

*b.* The amount which the board may deem necessary as a sinking fund. The general meeting may increase or diminish such amount;

*c.* The necessary amount to pay cumulative interest at four per cent upon the preferred stock.

Allotment  
of surplus.

**79.** The surplus of the company's profits shall be allotted as follows :

*a.* Forty-five per cent upon the preferred stock ;

*b.* Forty-five per cent upon the ordinary stock ;

*c.* Ten per cent to the board of management.

#### ORGANIZATION

Organization  
meeting.

**80.** After the coming into force of this act, the founders of the company, that is to say the persons mentioned in the preamble or their assigns and all other persons who may associate with them by mutual consent, shall hold a meeting at the date determined by the majority of them for the purpose of proceeding to the organization of the company.

Decisions  
how adopted.

**81.** The decisions of the persons present shall be adopted by the absolute majority of all who are entitled to form part of the meeting.

Powers of  
meeting.

**82.** They shall have power :

*a.* To appoint the first board of management ;

*b.* To adopt by-laws;

*c.* To establish the amount of the organization expenses and authorize the payment thereof by means of paid up preferred stock ;

*d.* To authorize the issue of ordinary stock fully paid up in accordance with section 9 of this act;

*e.* To adopt all other measures suitable for the purposes of the company.

When busi-  
ness to be  
begun.

**83.** From and after such first meeting the company shall be organized and definitively constituted and may begin operations.

#### DISSOLUTION

Dissolution,  
&c.

**84.** The general meeting by the vote of the absolute majority of all the shareholders may at any time, on the proposition of the board, decide upon the dissolution of the company.

**85.** In the event of the company's dissolution, liquidation Winding up shall be proceeded with according to law.

**86.** After payment of the debts, the balance of the assets shall be divided as follows : Payment of debts, and division of assets, &c.

*a.* In the first place a sum shall be levied sufficient to repay the privileged stock at par, with the cumulative interest at four per cent that may be due thereon;

*b.* The surplus shall afterwards be divided at the rate of ninety per cent between all the shareholders, preferred and ordinary, in proportion to the number of their shares, and ten per cent among the members of the last board of directors.

#### COMING INTO FORCE

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

#### CHAP. 118

An Act to amend the charter of *Le Crédit Municipal Canadien*

[Assented to 14th April, 1908]

**W**HEREAS *Le Crédit Municipal Canadien* has, by its petition, represented that it is necessary to amend its charter, the act 3 Edward VII, chapter 106 and the acts 4 Edward VII, chapter 87 ; 6 Edward VII, chapter 76, and 7 Edward VII, chapter 100, amending the same ; Preamble.

Whereas the amendments hereinafter set forth were unanimously authorized by the shareholders and founders of the company at a general meeting specially called for the purpose, and held on the eighteenth of July 1907 ; and whereas it is expedient to grant the prayer of the said petition ;

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

**1.** Article 9*b* of the act 3 Edward VII, chapter 106, as <sup>3 Ed. VII, c.</sup> enacted by the act 7 Edward VII, chapter 100, section 4, is <sup>106, s. 9*b*,</sup> repealed. repealed.

**2.** Articles 17 and 18 of the said act as replaced by the <sup>Id., ss. 17, 18,</sup> acts 4 Edward VII, chapter 87, sections 5 and 6, and 7 Edward <sup>replaced.</sup> VII, chapter 100, section 5, are again replaced by the following :

“ **17.** The company shall be managed by a board of man- <sup>Board of</sup> agement of from five to ten members, of whom at all times <sup>management.</sup> one-third at least shall be British subjects and one-half at least members residing in Canada.