

It shall offer for sale, within the year following the acquisition thereof, every immoveable so acquired in payment or for the protection of a claim. The upset price shall not be lower than the amount of the sum due the corporation in principal, interest and costs on the immoveable hypothecated.

If no offer to purchase at the price aforesaid is made, the corporation shall have the right to realize to the best of its ability on the immoveables remaining in its possession."

Coming into
force.

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

CHAPTER 100

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

[Assented to 14th March, 1907]

Preamble.

WHEREAS *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, and 6 Edward VII, chapter 76, amending the same;

Whereas the amendments hereinafter set forth have been unanimously authorized by the shareholders and founders of the company, at a general meeting specially convened for that purpose, on the nineteenth of January, 1907;

And whereas it is expedient to grant the prayer contained in 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:

3 Ed. VII. c. 106, s.s. 1, 2, 3 and 4, replaced. **1.** Sections 1, 2, 3 and 4 of the act 3 Edward VII, chapter 106, are replaced by the following:

" INCORPORATION "

Company of
whom to
consist.

" 1. *Le Crédit Municipal Canadien*, a joint stock company created and constituted by the act 3 Edward VII, chapter 106, consists of all holders of shares and founders' shares of the company."

Name.

" 2. The company may be legally designated under the name of "*Le Crédit Municipal*."

HEAD OFFICE

“**3.** The head office of the company is in the city of Montreal, in the place designated by the board of management.” Head office.

“**4.** Branches and agencies may be established as may be decided by the board of management.” Branches, &c.

2. The first paragraph of section 5, of the act 3 Edward VII, chapter 106, as replaced by the act 6 Edward VII, chapter 76, section 1, is again replaced by the following : Id., s. 5, par. 1, replaced.

“**5.** The object of the company is to carry on by means of loans, purchase or otherwise, for itself, or for third parties, all kinds of industrial, moveable and immoveable operations, to perform all kinds of public, municipal and public works, the construction of railways, tramways, telegraphs, telephones, canals, irrigation works, lighting, water works, drainage and others, such enumeration being declarative, but not limitative. And in connection with such objects it may.” Objects of company.

3. Paragraph 1 of section 5 of the act 3 Edward VII, chapter 106, as replaced by the act 4 Edward VII, chapter 87, section 1, is again replaced by the following : Id., s. 5, par. 1, replaced.

“**1.** Acquire, lease, administer, possess, operate, sell, pledge, assign or transfer rights and concessions, servitudes, privileges, donations, grants, subsidies, and other advantages, and also moveable and immoveable property of every description, of an aggregate value not exceeding forty million dollars.” Acquisition, &c., of property, rights, &c.

4. Sections 7 and 9 of the act 3 Edward VII, chapter 106, as replaced by the act 4 Edward VII, chapter 87, sections 2 and 3 and article 8 of the act 3 Edward VII, chapter 106, are again replaced by the following : Id., ss. 7 and par. 1, replaced.

“**7.** The capital stock of the company fixed at one million dollars, formerly divided into twenty thousand shares of fifty dollars each, fifteen thousand being privileged and five thousand being ordinary stock, shall hereafter be divided into twenty thousand shares of fifty dollars each, which shall be called capital shares.” Capital stock, &c.

“**8.** In addition there shall be ten thousand other participating shares, called founders' shares, the sole advantage whereof for the holders shall be : Founders' shares, &c.

(a) To vote at the general meetings in accordance with the provisions of article 32b. They vote at general meetings, &c.

(b) To participate in the company's profits, and, in the event of liquidation, in the distribution of assets, in accordance with the provisions of sections 51 and 63d. And participate in profits, &c.

Preferred shares replaced by capital shares. Ordinary shares issued exchanged for founders' shares.

"9. The preferred shares issued to date, shall be replaced share for share, by capital shares.

"The five thousand ordinary shares issued to date, shall be exchanged share for share for five thousand founders' shares. The other five thousand shares created by the above section 8, shall be allotted by the board in accordance with private covenants.

Certain founders' shares, &c., done away with.

"The founders' shares and certificates created by the by-laws of the twenty-third of January, 1905, and attributed to the subscribers of the first eight thousand preferred shares, are done away with, as well as all rights connected therewith.

Cumulative dividends, &c.

"9a. The certificates of capital shares, issued either in consideration of a payment in money or in exchange for preferred shares, shall entitle the holders to the cumulative dividends prescribed by the charter from the date of the original payment in money.

Priority of ordinary shares until exchanged.

"9b. Until they have been effectively exchanged, the ordinary shares remaining current shall have priority in the exercise of the rights previously conferred upon them by the charter of the company."

Id., ss. 17-19, replaced.

5. Sections 17, 18, 18a and 19 of the act 3 Edward VII, chapter 106, replaced by the act 4 Edward VII, chapter 87, sections 5, 6 and 7, are again replaced by the following:

Board of management.

"17. The company shall be managed by a board of management consisting of not less than six and not more than ten members, one-half of whom shall reside in Canada.

General meeting to elect board.

"18. A general meeting to be held after the coming into force of this act, shall elect four or five managers to replace the three present foreign managers. Such new managers, with the Canadian managers, shall form the board of management. Such board shall remain in office until the general meeting, which shall approve the accounts for the year 1910. At the expiration of such period the board shall be entirely renewed.

Board's term of office, &c.

Board how renewed.

"18a. The board shall afterwards be renewed every year, one-half at a time. The members going out of office shall be designated by lot in such manner that every year one-half of the Canadian directors and one-half of the foreign directors shall go out of office.

Retiring directors re-eligible.

"18b. The directors going out of office shall always be eligible for re-election.

Representation of directors by proxy.

"18c. Any director may cause himself to be represented at a meeting of the board of management by one of his colleagues, by proxy or written power of attorney, which shall be valid

until cancelled. Absent directors may also give their vote in writing upon any specified question.

"19. The board of management is vested with the most extensive powers as regards the administration of the company's affairs within the limits established by the charter and by the by-laws. Powers of board.

"19a. The decision of the board of management shall be by the majority of the votes of the directors present or represented. Majority to govern.

"19b. No decision of the board of management shall be valid unless it be voted by the majority of the members forming part of the board of directors, and voting either in person or by proxy. Majority of whole board necessary.

"Nevertheless, the adhesion of at least three-fourths of the members forming part of the board of management, shall be necessary in the following cases : Three-fourth's vote necessary in certain cases.

- (a) Applications for the amendment of the charter ;
- (b) Adoption and amendments to the by-laws ;
- (c) Increase of the capital stock and issue of bonds ;
- (d) Every decision entailing engagements or liabilities exceeding twenty thousand dollars ;
- (e) Provisional appointments of directors."

6. Section 20 of the act 3 Edward VII, chapter 106, is replaced by the following : Id., s. 20, replaced.

"20. In the event of a vacancy, the council may provide for the filling thereof, subject to confirmation by the first next general meeting, and the director so appointed to replace another, shall remain in office during the remainder of the period of his predecessor's term of office." Filling vacancy on board, &c.

7. Section 23 of the said act 3 Edward VII, chapter 106, is replaced by the following : Id., s. 23, replaced.

"23. The general meeting shall, itself, determine the remuneration to be allowed to inspectors, and the date at which they shall perform the duties prescribed by the following section." Remuneration of inspectors, &c.

8. Section 30 of the act 3 Edward VII, chapter 106, is replaced by the following : Id., s. 30, replaced.

"30. The foregoing provision shall only apply to stock and transfer books. Every shareholders and creditor of the company may obtain certified extracts upon payment of the fee fixed by the board of management." What books open to inspection, &c.

Id., s. 32b,
replaced.

9. Section 32b of the act 3 Edward VII, chapter 106, as enacted by the act 4 Edward VII, chapter 87, section 8, is replaced by the following :

What re-
quired for
voting, &c.

“ **32b.** No shareholder and no holder of founders' shares can take part in the deliberations of the general meeting, otherwise than by being present, nor vote thereat, unless he represents personally or for other shareholders or for other holders of founders' shares, at least twenty shares of either category.”

Id., s. 33a,
replaced.

10. Section 33a of the act 3 Edward VII, chapter 106, as enacted by the act 6 Edward VII, chapter 76, section 2, is replaced by the following :

Loans, &c.,
by board.

“ **33a.** The board of management is authorized without the intervention of the general meeting to decide upon the loans, and determine the conditions, the manner of issue, the security for and the repayment of such loans.”

Id., s. 40a,
transposed.

11. Section 40a of the act 3 Edward VII, chapter 106, as enacted by the act 4 Edward VII, chapter 87, section 11, is transposed and shall hereafter be section 5a of the said act.

Id., s.s. 51
and 51a, re-
placed.

12. Section 51 of the act 3 Edward VII, chapter 106, as replaced by the act 4 Edward VII, chapter 87, section 12, and section 51a of the act 3 Edward VII, chapter 106, as enacted by the act 6 Edward VII, chapter 76, section 4, are replaced by the following :

Levy upon
profits.
For reserve
fund.

“ **51.** “ Upon such profits shall be first levied :

1. Five per cent to constitute a reserve fund ; such levy shall cease when the reserve fund shall have attained one-tenth of the paid-up capital ;

Sinking fund,
&c.

2. Such sum as the board may deem necessary to constitute a sinking fund. The general meeting may increase, but can never decrease the amount fixed by the board ;

Provident
fund, &c.

3. The amount that the board may deem necessary to constitute a provident fund. The general meeting can never decrease such amount, but may increase it. Nevertheless, the total amount of the provident fund shall never exceed fifteen per cent of the paid-up capital ;

Cumulative
interest.

4. The amount necessary to pay cumulative interest at seven per cent on the capital shares ;

Allotment of
balance.

The balance shall be allotted as follows :

Forty-two and a half per cent for capital shares ;

Forty-two and a half per cent for founders' shares ;

Fifteen per cent for the board of management.”

13. The following sections are added after section 63 of the *Id.* ss. added. act 3 Edward VII, chapter 106, as replaced by the act 4 after s. 63, Edward VII, chapter 87, section 14 :

LIQUIDATION

“ **63a.** At any time, on proposition of the board, the gen- Winding up
eral meeting may decide upon the liquidation of the com- of company.
pany. In such case the general meeting can validly delib-
erate only under the following conditions :

(a) The notice calling such meeting must state that this matter will be taken up as an order of the day ;

(b) The notice calling the meeting must be published twice at least in a daily newspaper in Montreal and in a daily newspaper in Europe ;

(c) The meeting shall represent three-fourths of the shares.

Should the third condition not be fulfilled, it shall be necessary to send out new notices of the meeting and the new meeting shall validly deliberate whatever may be the proportion of the shares present or represented.

The decision in either case shall be valid only if adopted by three-fourths of the votes of the persons present or represented.

“ **63b.** In the event of the loss of one-third of the capital Dissolution of
stock, the board of management shall submit the question of company to
the dissolution of the company to the general meeting. be proposed
in certain
cases.

“ **63c.** In the event of the liquidation of the company, the Liquidation
same shall be proceeded with in accordance with the laws of how effected.
the Province of Quebec.

“ **63d.** The balance of the assets, after paying the debts and Balance of
obligations of the company, shall thereupon be allotted as assets how
allotted.
follows :

A sufficient sum shall be taken to repay the capital shares at par, with cumulative interest at seven per cent.

The surplus shall be distributed as follows :

Forty-two and a half per cent to the capital shares ;

Forty-two and a half per cent to the founders' shares ;

Fifteen per cent to the board of management.”

14. This act shall come into force on the day of its sanc-Coming into
tion. force.