

CH A P . 87

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

[Assented to 2nd June, 1904]

WHEREAS *Le Crédit Municipal Canadien* has, by its Preamble, petition, prayed for an act to amend its charter and it is expedient to grant its prayer ;

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

1. Paragraph 1 of article 5 of the act 3 Edward VII, 3 Ed. VII, c. chapter 106, is replaced by the following : 106, art. 5, amended.

“ 1. Acquire, lease, administer, possess, operate, pledge, Assign or transfer rights, concessions, servitudes, privileges, Acquire &c., donations, grants, subsidies, and other advantages and also property, &c. moveable property and immoveable property of every description, of a total value not exceeding five million dollars.”

2. Article 7 of the said act is replaced by the following : Id., 7, replaced.

“ **7.** The capital stock of the company shall be one million dollars, divided into twenty thousand shares of fifty dollars each, fifteen thousand being preferred and five thousand ordinary shares.” Capital stock and shares. Preferred and ordinary shares.

3. Article 9 of the said act is replaced by the following : Id., 9, replaced.

“ **9.** The net proceeds of the preferred shares, after deducting the cost of issue and brokerage commissions, shall constitute the working capital of the company.” Working capital of company.

4. Article 16 of the said act is replaced by the following : Id., 16, replaced.

“ **16.** The settlement of the accounts of the first establishment paid by the issue of two hundred preferred shares and of the whole of the ordinary shares fully paid up, is confirmed.” Certain settlement of accounts confirmed.

5. Article 17 of the said act is replaced by the following : Id., 17, replaced.

“ **17.** The company shall be managed by a board of management, one half at least of whose members shall be persons residing in Canada and who shall choose a president and vice-president from amongst their number every year. The number of the managers shall be determined by by-law. Board of management. President, &c. Managers.”

Division of
board into
groups.

The board of management may be divided into two groups, whose place of meeting and the manner of carrying on whose deliberations shall be determined by by-law."

Id., 18, re-
placed.
Appointment
of first board.
Co-managers.

6. Article 18 of the said act is replaced by the following:

"**18.** The first board of management shall be appointed by the persons mentioned in the preamble or their representatives, and it shall remain in office for three years. It may, during its existence, associate with itself a group of foreign co-managers not exceeding five in number.

Division of
board in cer-
tain event.

"**18a.** When it shall consist of managers residing in Canada and abroad, the board of management may, by by-law, be divided as follows:

Superior com-
mittee.

(a) The superior committee, consisting of from three to five foreign members, with its office in Europe at the place fixed by the by-laws;

Executive
committee.

(b) The executive committee, consisting of five Canadian members, with its office in Montreal;

How decisions
of board ar-
rived at in
such cases.

(c) All the decisions of the board of management shall then be adopted with the concordant assent of the superior committee and of the executive committee, sitting together or separately, and deciding by the majority of their respective votes;

By-law to
regulate juris-
diction of
board, &c.

(d) The respective jurisdiction of the board of management, of the superior committee and the executive committee shall be fixed by by-laws of the company."

Id., 19, re-
placed.
Replacing of
managers
after third
year.

7. Article 19 of the said act is replaced by the following:

"**19.** During the three years following the third term, the managers shall be replaced by the general meeting each year one-third at a time,—those who shall go out of office, one-third of each group, respectively, shall be designated by lot, at a meeting of each group one month before the general meeting, in the manner determined by the board of management."

Arts. added
after id., 32.

8. The following articles are added after article 32 of the said act:

When general
meeting to be
held.

"**32a.** The general meeting shall be fixed by the board of management, and may be held either in Canada or abroad in accordance with the by-laws of the company.

Qualification
to vote.

"**32b.** No shareholder can take part in the deliberations of the general meeting otherwise than by being present, nor vote thereat unless he represents by himself or for other shareholders at least twenty shares."

9. Article 34 of the said act is replaced by the following : Id., 34, re-

"34. The bonds of the company may be issued in dol-
lars, or in francs or in other foreign currencies, and the total
amount of outstanding bonds shall not, in any case, exceed
the total amount of the authorized capital and the securities,
claims and property of the company."
placed.
Issue of bonds
and limitation
thereof.

10. Paragraph *d* of article 37 of the said act, is replaced
by the following : "*(d)* be for amounts of at least twenty
dollars or one hundred francs each or over ; *(e)* be redeem-
able with or without premiums by drawing of lots as may be
decided by the board of management ; provided this mode
of redemption be not exercised in contravention of the pro-
visions of the Criminal Code of Canada respecting lotteries."
Id., 37, § d,
replaced.
Conditions of
issue of bonds.
Proviso.

11. The following article is added after article 40 of the
said act : Art. added
after id. 40.,

"40a. It shall be lawful for the company to guarantee, by
endorsement or otherwise, the bonds, obligations or other
securities of any corporation or company duly authorized to
issue the same, and to make, with such corporation or com-
pany, arrangements for the management of the property
affected for their security."
Guarantee by
company of
bonds, &c.,
of other com-
panies.

12. Article 51 of the said act is replaced by the following : Id., 51, re-

"51. Upon these profits shall be levied : placed.
Upon profits
shall be
levied ;

1. An amount equal to at least one per cent. of the aggre-
gate amount of the outstanding bonds, as a reserve fund for
their security and redemption ; Reserve fund ;

2. The amount required to pay the cumulative interest
at five per cent. per annum on the preferred shares in the
first place and afterwards non-cumulative interest at five per
cent. per annum on ordinary shares ; Sums sufficient
to pay interest
on shares ;

3. The balance of the profits, after deducting the above
levies, shall be distributed as follows : thirty per cent to the
managers, and the balance of seventy per cent to all the
shareholders proportionately to their shares, by decision of
the general meeting."
Application
of balance of
profits.

13. Article 61 of the said act is replaced by the following : Id., 61, re-

"61. The resolutions and by-laws adopted at such first
meeting, and adopted or amended by the first board of
management shall not require the sanction of the general
meeting, and shall bind the company throughout the first
three years' operations."
placed.
Rules, &c.,
then adopted
to be in force
for first three
years.

Id., 63, replaced.

Consent of municipality required in certain cases.

Coming into force.

14. Article 63 of the said act is replaced by the following :

“ **63.** The rights and privileges conferred by this act cannot be exercised in any municipality without the consent of the municipal council.”

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

CHAP. 88

An Act concerning the Royal Paper Mills Company and to authorize the said company to substitute a new issue of bonds in exchange for existing bonds

[Assented to 2nd June, 1904]

Preamble.

WHEREAS, by the act of this province, 58 Victoria, chapter 74, as amended by the act 61 Victoria, chapter 77, The Royal Paper Mills Company was authorized to issue bonds to the amount of four hundred thousand dollars and to secure the payment of such bonds by a deed of mortgage upon the whole or any part of the real estate of the company ;

Whereas, under the provisions of the said act, The Royal Paper Mills Company has made an issue of bonds to the amount of four hundred thousand dollars, in and by four thousand bonds of one hundred dollars each, payable to bearer in ten years from their date, with interest at the rate of five per cent. per annum, bearing date the fifteenth day of March, 1898 ;

Whereas the said company, in order to secure the payment of the said bonds, has executed a trust deed and mortgage to and in favour of William Farwell, the general manager of the Eastern Townships Bank and his successor or successors in office, hypothecating to him in trust for the holders of the said bonds, real estate belonging to the said company, by *acte* passed before E. P. Felton, notary public, on the 15th day of June, 1898, which said deed of trust and hypothec has been duly enregistered in the several registration divisions wherein the said land so affected is situate ;

Whereas the denomination of the said bonds has been found to affect, prejudicially, the negotiability of the same, and the said company has prayed for an act to authorize it to issue a new set of bonds, to the same amount of four hundred thousand dollars, in and by four hundred bonds of the denomination of one thousand dollars each ;