

Signatures to policies.

26. All policies of insurance to be valid and obligatory shall be signed by the managing director and the secretary-treasurer of the board of directors who issues it, and shall bear the seal of the association.

Offices of boards.

27. The office of the Quebec board of directors shall be at the Archbishop's Palace in Quebec, and the office of the Montreal board of directors shall be at the Archbishop's Palace in Montreal.

Meetings where to be held.

The meetings of these boards shall be held respectively at Quebec and Montreal.

Application of act.

28. This act shall apply only to corporations, educational and charitable institutions and religious communities belonging to the Roman Catholic religion.

Coming into force.

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

CHAP. 95

An Act to incorporate *La Sauvegarde Life Insurance Company*.

[Assented to 25th April, 1903]

Preamble.

WHEREAS *La Sauvegarde*, a mutual life insurance company, incorporated in virtue of the act 62 Victoria, chapter 32, and authorized, at Quebec, on the 17th October, 1901, by the Lieutenant-Governor in council, having its head office in Montreal, has, by its petition, represented that it wishes to extend its field of operations and give greater security to the public, and, to attain such end, it has prayed to be incorporated as a joint stock company, under the name of *La Sauvegarde*.

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

Persons incorporated.

1. Guillaume N. Ducharme, of St. Cunégonde ; Israel L. Lafleur, Alexandre Prudhomme, Philorum Bonhomme, L. Arsène Lavallée, of Montreal ; Joseph A. Descarries, of Lachine ; J. Ulric Lalonde, of St. Cunégonde of Montreal ; A. Ferdinand Jeannotte, Joseph Lussier, Damien Lalonde, Clovis Laporte and the Honorable Narcisse Pérodeau, of Montreal, and Henri Bourassa, of Papineauville, and all other persons and corporations who may afterwards become shareholders in the company, are hereby incorporated and

constituted a body politic under the name of *La Sauvegarde*; Name.
and the words "the company" wherever used in this act
shall mean *La Sauvegarde*.

The persons above named shall be the provisional direct- Provisional
ors of the company. directors.

2. The authorized capital of the company shall be one Capital and
million dollars, divided into shares of one hundred dollars shares.
each.

3. The provisional directors shall at once open stock Duties of pro-
books and obtain subscriptions to the company's stock. visional di-
rectors.

4. The subscribed capital of the company, before com- Subscribed
mencing operations, shall not be less than one hundred capital re-
thousand dollars. quired before
commencing
business.

5. Hereafter the company shall increase its subscribed Annual
capital, in an average proportion of at least one hundred increase of
thousand dollars per annum, in such manner that, at the subscribed
expiration of five years following the date of its incor- capital.
poration, its subscribed capital shall amount to the sum
of five hundred thousand dollars at least.

6. The paid up capital stock of the company, before Amount of
commencing business operations, shall not be less than paid up
ten per cent. of the capital subscribed. capital re-
quired before
commencing
business.

7. So soon as one hundred thousand dollars of the When first
capital stock shall be subscribed, the provisional directors call may be
may call up ten per cent. of the amount subscribed, after made and
giving ten days' notice; and, after ten thousand dollars first meeting
thereof shall have been paid, they shall immediately call for election
a meeting of the shareholders, giving ten days' notice by of directors
means of a registered letter, which shall be held in some convened.
place indicated in the city of Montreal; at which meeting, Where meet-
the shareholders, who have paid at least ten per cent. on ing to be
the amount of stock subscribed by them, and who shall be held.
present or represented by proxy, being shareholders them- Election of
selves in good standing, shall elect a board of directors who directors
shall administer the affairs of the company. thereat.

8. At the first general meeting, the shareholders shall Number of
elect a board of directors, consisting of nine, the majority directors and
whereof shall form a quorum. These directors shall be quorum.
elected in three groups consisting of three members each. Election to be
The duration of office of the first group shall be one year, in groups.
that of the second, two years, and that of the third, three Term of office.

Subsequent elections. years. After the first year the meeting shall elect three directors every year, who shall remain in office for three years.

Increase in number of directors. The number of directors may be increased to the number of fifteen, when the holders of participating policies shall have acquired the right to be represented on the board of directors, under section 20 of this act. Such directors shall be elected by the holders of participating policies only.

Powers of board of directors. The board of directors shall have full power in all things to administer the affairs of the company, and may, from time to time, make, repeal, amend or put again in force by-laws, not contrary to law nor to this act, for the administration in every respect of the affairs of the company, as also for the remuneration of the directors, for fixing the date and manner of convening general or special meetings of the company and of the board of directors, the quorum of members necessary at meetings, as well as the manner of voting; but each of such by-laws and all repeals thereof, all amendments and all putting again in force shall be executory only until the next annual meeting of the company, when they shall be approved or disapproved by the meeting.

Qualification of directors. **9.** No one shall be elected a director by the shareholders unless he possesses, in his own name and on his own account, twenty shares of the capital stock of the company, and unless he has paid all calls made and due thereon and all debts contracted by him towards the company. Shareholders shall have a right to one vote for every share held by them, provided they have paid up all instalments due thereon.

Shareholders right to vote.

Payment for shares by instalments. **10.** The shares subscribed in the capital stock shall be paid in such instalments and at such dates and places as shall be determined by the provisional directors, and afterwards by the board of directors; the first instalment shall not exceed ten per cent. and no future instalment shall exceed five per cent.; and a notice of ten days at least shall be given before each call.

Amount of first and future instalments.

Head office. **11.** The head office of the company shall be in the city of Montreal, in the Province of Quebec, and the directors may, at any time, establish branches, local boards or agencies, either in the Province of Quebec or elsewhere, in such manner, as they may deem expedient.

Local boards and agencies.

Annual general meeting. **12.** A general meeting of the company shall be convened once a year, at the date fixed at the first meeting to

be held after the passing of the act, authorizing the transformation of the association into a company, at any place whatever in the city of Montreal, and, at such meeting, the directors shall submit a statement of the company's affairs.

When and where to be held and for what purpose.

13. The company may enter into contracts of life insurance with any person, and may consent to, sell or purchase annuities, grant endowments, and generally carry on the business of life insurance in all its branches and forms.

What business company may transact.

14. The company shall have power to insure itself against any loss or risk it may incur in the course of its business; and also insure any other life insurance company or association against any loss or risk which such company or association might incur in the course of its business; and, generally, do and execute all other things connected with its operations and calculated to facilitate the same.

Power to re-insure.

15. The company may also acquire and alienate, in the Province of Quebec, such immoveables as it may need, wholly or in part, for its use and occupation, but the total annual value of such immoveables shall not exceed ten thousand dollars.

Power to acquire, &c., immovable property.

16. It shall be lawful for the company to invest its funds in debentures, bonds, public or other securities of the Province of Quebec or of the Dominion of Canada, or in public securities of any municipal corporation in the province, or in bonds or debentures of incorporated companies or corporations whatsoever in the Province of Quebec, or to lend its moneys on the security of such public securities, bonds or debentures, or on mortgages on real estate in the Province of Quebec for not more than fifty per cent. of the value thereof, as established by its assessors, which shall not exceed the municipal valuation, or on its own life policies, to such amount as the insured will be entitled to receive by renouncing thereto, as may be determined by the board of directors; and it may, from time to time, dispose of such public securities, shares, bonds or debentures and mortgages, and replace them by others at the discretion of the directors.

Investments by company.

17. The company may invest or deposit in foreign securities such portion of its moneys as may be required for the maintenance of any branch abroad, without, however, exceeding at any time the reserve on such policies in force abroad.

Foreign investments for certain purposes.

18. The directors may, from time to time, set aside as a reserve, such portion of the net profits as they may deem

Reserve fund.

prudent and proper, to be distributed in the shape of dividends or bonuses to the shareholders and holders of participating policies, establishing the part of such profits which arise from the participating policies, and distinguishing the portion of such profits derived from other sources; and the holders of participating policies shall have the right to share in that portion of the profits so set aside as a reserve and so distinguished as derived from such policies, to the amount of not less than ninety per cent. of such profits.

Issue of paid up policies in certain cases.

19. When the holder of a policy, other than a temporary or natural premium policy, shall have paid for three years or more, (that is to say not less than thirty-six months), and shall fail to pay the other premiums, or shall be desirous of surrendering his policy, the premiums shall not be forfeited, but he shall be entitled to a paid up policy for such amount as the directors shall determine or to an extended policy on the conditions determined by the directors, or to receive a sum in money which the directors shall determine as representing the surrender value of the policy, such sum, in either case, to be ascertained according to the principles adopted by by-law; provided he applies for such extended or paid up policy, or such payment in money, while the original policy is in force, or within a delay of six months after he shall have failed to pay the premium.

Increase in number of directors and provisions respecting the same.

20. The board of directors may decide to increase the number of directors and enact that, in future, the additional directors shall be chosen from amongst the holders of participating policies, and shall be elected by the latter; but when the reserve derived from the participating policies shall have reached such a figure that the holders of participating policies shall have acquired the right to vote, as set forth in section 21 of this act, then, *de facto*, the policy holders shall acquire the right to be represented on the board of directors, and the number of directors shall be increased in accordance with the provisions of the second paragraph of section 8 of this act. In such cases, sections 22, 23 and 24 of this act shall come into force.

Right of certain policy holders to vote at general meetings after certain event upon certain questions.

21. When the reserve, derived from the profits on the participating policies, as defined in section 18 of this act, shall be equal to the amount subscribed by the shareholders, the holders of participating policies shall, from such fact, have the right to be present and to vote personally or by proxy at all general meetings of the company:

1. For or against the ratification of any by-law submitted for the sale of the capital stock of the company ;

2. For the election of the directors who shall be chosen by the holders of participating policies.

The board of directors may, however, grant such right to holders of participating policies sooner if it so decides. Such right may be granted sooner.

In such cases :

1. Every holder of a participating policy of the company for a sum of not less than one thousand dollars shall be entitled to one vote for every one thousand dollars of his policy ; Right to vote in such cases.

2. A husband or a father, holding a participating policy on his own life for the benefit of his wife or children, shall have the right to be present and vote or shall be eligible as a director, if the other conditions be complied with.

22. A policy holder of the male sex of the full age of twenty-one years, who has participating policies in force amounting to five thousand dollars or over, not including bonuses or accumulated profits, and on which premiums for five years or over, (that is to say sixty months or more) shall have been fully paid, may be elected by the holders of participating policies as director of the company. Qualification of policy holder as director.

23. The election of directors chosen by the holders of participating policies shall be held before that of the directors elected by the shareholders. When holders of policies shall elect directors.

The directors elected by the holders of participating policies shall be divided into three groups at the first election. The duration of the office of the first group shall be one year, that of the second, two years, and that of the third, three years. After the first annual election of such directors, the holders of participating policies shall, every year, elect directors, who shall remain in office for three years. Election to be by groups. Term of office. Subsequent elections.

24. Thirty days at least before the meeting at which the directors shall be elected, notice in writing shall be given to the secretary by any policy holder entitled to vote, of the name of any person, other than a director going out of office, whom the policy holders propose to nominate as a candidate to the office of director, otherwise such person shall not be eligible for election by the policy holders at such meeting. Notice to be given to secretary of name of proposed director for policy holders.

25. The proxy of a shareholder or of a policy holder must be a shareholder or a policy holder, having himself the right to vote, and be named in writing under the Who may hold proxies.

signature of his principal, or, if such principal be a corporation, under its corporate seal; and each of such nominations shall be handed to the secretary, at least twenty days before the meeting at which the proxy is to act, and shall be entered in a register kept for that purpose; provided always that such proxy shall not be valid after the expiration of twelve months from the date thereof.

Vacancies on board.

26. If the office of a director become vacant, through death, resignation, disqualification or other cause, the remaining directors, if they deem advisable so to do, may elect a temporary director to fill such vacancy, and the director so elected must be a shareholder, or policy holder eligible as a director, according as such director, whose office is vacant, shall have been elected by the shareholders or by the policy holders. The temporary director shall remain in office until the first following general meeting, when the shareholders or policy holders, as the case may be, shall elect a new director, who shall remain in office during the period of office of the director, whose office has become vacant.

Directors may be re-elected.

27. The directors who go out of office, if duly qualified, may be re-elected, either by the policy holders or by the shareholders, as the case may be.

Division of policies into sections.

28. The insurance policies issued by the company shall be divided into two principal sections :

1. The non-participating section ;
2. The participating section, and the same shall be indicated on the policies and certificates.

Separate accounts for each section. Expenses of each.

Separate accounts for each section and class shall be kept in order to distinguish the receipts and expenses of each of such classes. Each of such classes shall share its own benefits and bear its share of the expenses.

Company substituted for the Mutual Society "La Sauvegarde."

29. After the first meeting of the shareholders and the election of directors, "*La Sauvegarde*" life insurance company shall be subrogated in all the rights and all the obligations of the mutual society "*La Sauvegarde*," and the said mutual association shall be dissolved.

Coming into force.

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