

far as may be, shall be free and uninterrupted, and shall protect all such works and appliances by all reasonable and proper means, and shall replace the streets, squares, lanes and public places with due diligence, and shall repair any damage that may be caused thereto by reason of any such works or appliances done or put in by the company, and shall be responsible for any neglect in respect thereto.

19. The company is authorized to expropriate such water-powers on the Coaticook river above the power now used by the Coaticook Electric Light Company as are not actually in use, and also such land adjacent to or connected with such water-powers as may be required for installing machines and for the other buildings required by the company for the carrying out of the object for which it is incorporated and for the extension of its business.

Power to expropriate certain land, &c., for certain purposes.

The expropriation shall be effected in accordance with the Expropriation Act.

54 V., c. 38, to apply.

20. All penalties, forfeitures, or fines imposed or permitted by this act may be sued for and recovered by the company, either before the Superior or Circuit Court, according to the amount thereof, or before one of the justices of the peace in the district where the offence has been committed.

Penalties how recovered.

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

Coming into force.

CAP. LXXX.

An Act to incorporate "The Canada Stone Chinaware Company."

[Assented to 9th January, 1897.]

WHEREAS Léon Graves, manufacturer, of Clairefontaine, in France; François Charles Huguet, coal-broker, Francis Martinet, trader, Auguste Prévot, retired captain, Georges LeGentil, broker, of Saint Quentin, in France; Théophile Fenal, manufacturer, of Pexonne, in France; Jules Blocq, merchant, Paul Lévy, banker, Henri Clemenceau, clerk; Charles Balasse, accountant, Henri Balasse, accountant, Henri Choisel, commercial agent, Charles Durand, manager of disputed claims office, Léon Vauclin, merchant, of Paris, in France; Frédéric Bertrand, sugar manufacturer, Gustave Moreau, controller of mines, of Laon, in France; Alfred Monin, manufacturer, of Lyons,

Preamble

in France ; Georges Raquet, manager of the Cooperative Agricultural Society, of Amiens, in France ; Maurice Rigal, manufacturer, Victor Ameline, manufacturer, of Salins, in France ; Léon Saclier, superintendent of mines, of Anzin, in France ; Emile Viéville, farmer, of l'Etang, near Guise, in France ; Gustave Viala, director of mines, Frédéric Simon, mining engineer, of Liévin, in France ; Adrien Vannier, chinaware factory manager, of Gien, in France ; Charles Alcide Lemaire, sugar manufacturer, of Lesdin, in France ; Charles Douin, manager of the enamel works, of Beuvrages, in France ; Auguste Finet, manufacturers' agent, of Toulouse, in France ; Charles Guérin, manufacturers' agent, Constant Theurier, manufacturers' agent, of Vierzon, in France ; Gaspard Bretnacher, of Choisy-le-Roi, in France ; Henri Lernould, commercial agent, of Creil, in France ; Auguste Lefebvre, Eugène Léon Lefebvre, of Valenciennes, in France ; Jules Piednoir, Jules Suet, of Tours, in France ; Jules Paul Ritter, of Lunéville, in France ; Duncan Macdonald, manufacturer, Alexander Macdonald, manufacturer, of the town of St. Johns, in the Province of Quebec ; *Vicomte C. de Bouthillier Chavigny*, of Richelieu, in the District of St. Hyacinthe, and Raoul Aubé, heretofore of Paris, in France, and now of the said town of St. Johns, have constituted themselves into a corporation under the laws of France, by the name of "*Société anonyme des faïenceries du Canada*," according to the indenture and deed of constitution entered into at Valenciennes, in France, before Me. Jules Lefebvre, notary, duly registered, and after the general meetings, resolutions and formalities required, the said society having a head office at St. Johns, aforesaid, and another head office at Paris, in France, and have, by petition, prayed for an act to incorporate the said society for the purpose of acquiring and owning moveable and immoveable property in this Province for the manufacture and sale of chinaware and ceramic articles ; and whereas it is expedient to grant their prayer ;

Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

Persons incorporated.

1. The above named persons and the said *Société anonyme des faïenceries du Canada*, and all its present members, together with such other persons as shall become shareholders in the company, are hereby incorporated under the name of "The Canada Stone Chinaware Company," for the purpose of manufacturing and selling chinaware and ceramic articles, pastes and vitrified enamels.

Name.
Purposes.

Head office.

2. The head office is in the said town of St. Johns, at such place as shall be determined by the board of directors.

A second head office, for business to be transacted in France, is established in Paris, at the place designated by the board of directors.

3. All acts, regulations, by-laws and resolutions made and passed by the said society, not contrary to law, are and shall be in force until amended or repealed by the company.

Certain acts, &c., to remain in force.

4. The capital stock shall be six hundred thousand francs, French currency, divided into twelve hundred shares of five hundred francs each.

Capital stock and shares.

The capital may be increased by resolution of the general meeting.

Increase of capital.

5. Holders of shares previously issued shall have a right of preference in subscribing for new shares in proportion to the certificates held by them and within the delay specified by the board of directors.

Subscription to new shares.

6. A first instalment of one hundred and twenty-five francs on each share shall be paid on subscribing, and the remainder shall be payable, as required by the needs of the society, at the dates specified by the board of directors.

Payment of shares.

Calls on stock shall be notified to shareholders by means of a letter sent by the company and by a notice inserted in a newspaper in Paris and in St Johns.

Notice for calls.

7. On payment of the first instalment of one hundred and twenty-five francs, shareholders receive an interim stock certificate on which subsequent payments are entered.

Interim stock certificate.

The last payment shall be made on delivery of the final certificate, which shall be to bearer.

Final certificate.

Interim and final certificates of shares are taken from a book with a counter-foil, bear one of a series of numbers, the stamp of the company and the signatures of two directors.

Certificates whence taken.

8. The company may purchase, from Duncan Macdonald and Alexander Macdonald, their manufactories and establishments for making chinaware in the town of St. Johns, and allot them four hundred paid-up shares of the capital stock of the company on account of the price of such purchase.

Power to purchase certain business &c.

9. The company may acquire and possess all immoveable property in the Province necessary and useful for its undertaking and the purposes for which it is incorporated; the amount thereof shall not, however, exceed one million dollars. It may hypothecate, alienate and transfer such immoveables.

Power to acquire, &c., immoveables

Sale of certificates of shares on which calls are unpaid.

10. The company may sell certificates of shares on which calls remain unpaid; for that purpose the numbers of the certificates of such shares shall be published in a newspaper in Paris in which legal notices are published, and in a newspaper in St. Johns.

Fifteen days after such publication, the company, without putting in default or any other formality, shall have the right to proceed to sell such shares in consecutive order on the duplicates thereof even, on the Paris *Bourse* through a broker, if the shares are quoted, and, if not, by public auction in the office of, and through a notary, on account of, and at the risk of the shareholders in arrear.

Stock certificates, previously delivered shall, *de jure*, be cancelled in consequence of such sale, and new certificates shall be delivered to the purchasers, bearing the same numbers as the corresponding cancelled certificates.

In consequence of the above, every share on which the payment of all instalments due has not been noted, shall cease to be negotiable and transferable, and no coupon or dividend shall be paid thereon.

Imputation of net proceeds of sale.

11. The net proceeds of the sale of the said shares shall, as by law provided, be imputed on what is due to the company by the expropriated shareholder, who shall remain liable for the deficiency or benefit by the surplus.

Right of company against shareholders preserved.

12. The company shall, moreover, even after the sale of the shares in arrear, retain and exercise, as regards the amount remaining due, the right of personal action and of action under the common law against the parties in arrear and their warrantors.

Transfer of shares.

13. Shares are transferable by simple delivery.

Shares indivisible.

14. Shares are indivisible as regards the company, which recognizes but one owner for each share.

Representation of joint owners.

Undivided owners must, as regards the company, be represented by one of them, who shall be considered by it as the sole owner.

Liability of shareholders limited.

15. Shareholders are liable only to the amount of the shares they hold.

Rights of shareholders.

16. Every share carries with it the right to ownership in the assets of the company and to a share in the profit thereof in proportion to the number of shares allotted.

Board of directors.

17. The company's affairs are managed by a board of directors, consisting of five members at least and seven at

most, chosen from amongst the associates and appointed by the general meeting of shareholders.

They shall remain in office for six years.

The directors can always be re-elected.

Term of office.
Eligible for
re-election.

18. At the expiration of its term of office, the whole of the first board shall be subject to re-election, and after that date the council shall be renewed every year by the withdrawal of one member designated by lot.

Renewal of
board.

19. The members of the board are empowered to associate other members with themselves to the number of ten, if they deem it expedient for the requirements of the service or the interests of the company.

Board may as-
sociate other
persons with
it.

In such case the appointments provisionally made by the board are submitted, at the first sitting, for confirmation by the general meeting, which shall determine the length of their tenure of office.

Confirmation
by general
meeting.

If the office of a director becomes vacant in the interval between two general meetings, the remainder of the directors shall, by a majority of votes, proceed provisionally to replace him, and the general meeting, at its first sitting, shall proceed to finally elect a substitute.

Vacancies on
board.

The director appointed to replace another remains in office only for the unexpired term of his predecessor, unless the meeting, by its resolution, determines the length of the tenure of office of the substitute.

Term of office
of replacing
director.

20. Directors must each hold twenty shares in the company throughout their term of office.

Qualification
of directors.

The shares shall be wholly liable as security for the actions of the board of directors, be specially stamped to show that they are not transferable, and be deposited with the company.

Shares of di-
rectors not
transferable.

21. The board selects from amongst its members a president, who may always be re-elected.

President.

It determines the length of his tenure of office.

His term of
office.

In the absence of the president, the senior director presides over the board of directors.

Absence of
president.

The board also selects a secretary, who may be taken from outside of the board.

Secretary.

22. The board of directors meets at the company's office in Paris, at the call of the president or of three of its members, as often as the interests of the company require; it must meet at least once every two months.

Meeting of
board in Paris.

The presence of at least one-half the members of the board is necessary to render the proceedings valid.

Quorum.

Resolutions are adopted by the majority of the votes of the members present.

Majority to
carry resolu-
tions.

Casting vote. When the votes are equal, the president's vote is a casting vote.

Proxies. No one can vote at the board by proxy.

Minutes of proceedings. **23.** Minutes of the proceedings are entered in a register kept at the head office of the company and signed by the president and by at least two of the directors present.

Copies. Copies of or extracts from the minutes of proceedings, which are required to be produced before the courts or otherwise, are certified by the president of the board, or, in his default, by a director.

General powers of board. **24.** The board of directors has the most ample powers for the administration and management of all the company's affairs.

Special powers. It has, in particular, the following powers, which are declaratory and not limitative:

It represents the company as regards third parties;

It authorizes all acts connected with the operations of the company;

It makes the by-laws of the company;

It authorizes all withdrawals, transfers and alienations of funds and other securities of the company, and decides all assignments, exchanges, alienations, purchases and leases of moveables or immoveables whatsoever;

It decides all contracts and agreements connected with the objects of the company, determines the general expenses of management, and regulates supplies of all kinds;

It receives the moneys due the company and decides the manner in which available funds are to be employed;

It appoints, removes and dismisses all agents and employees of the company, fixes their salaries, allowances, wages and emoluments, and all other conditions as to their admission or removal by a majority of at least five members;

It may effect all loans;

It draws up the statements of yearly accounts, and submits them to the general meeting of the shareholders; it deliberates and decides upon all propositions to be made to it and determines the order of proceedings;

It calls the meetings at the dates specified by the by-laws, and calls extraordinary meetings if it deems advisable;

It authorizes suits to be taken or defended;

It may deal with, transact and effect compromises in connection with any of the company's affairs, agree to all abandonments of rights, privileges, hypothecs, resolatory actions, and all rights of any kind, and to all discharges of registrations, seizures, oppositions and other impediments whatsoever, the whole with or without payment.

25. Deeds of sale, exchange, and lease, acquittances, discharges, agreements, transfers of securities and generally all deeds concerning the company, decided by the board, and all orders on and withdrawal of moneys from bankers, debtors or depositors, and subscriptions, endorsements or acquisitions of negotiable securities are signed by two directors, unless the board has specially delegated a director or other representative so to do.

Signature to deeds, &c.

26. Directors are responsible only for the execution of the duties confided to them,

Responsibility of directors.

They are not liable personally, or jointly and severally, in connection with the obligations of the company.

27. Directors receive counters or checks for their presence at the board, the value whereof is determined by the general meeting.

Presence checks.

They are also entitled to a share in the net profits of the company as hereinafter set forth.

Shares of directors in net profits.

28. The board of directors is empowered, every year, to delegate one or more persons, who shall proceed to Canada, to examine the company's books and vouchers at the company's office, and afterwards to report to the board on the operations and position of the company.

Power of board to delegate persons to examine books, &c., in Canada.

The said board of directors may delegate the whole or a portion of its powers to a committee of management, consisting of three persons, selected from amongst the members of the board or shareholders of the company, two of whom shall reside in Canada.

Power of board to delegate powers to board of management.

As long as Alexander Macdonald retains an interest in the company and resides in Canada, he shall always be one of the aforesaid three persons.

A. Macdonald to form part of latter board.

The committee of management carries out the orders of the board and has charge of the ordinary details of the company's business;

Duties of committee of management.

It draws up and carries out all provisions and orders connected with the various branches of the business after having them approved by the board;

It passes the contracts authorized by the board, purchases all supplies, receives all moneys due to the company, and effects the payment of all its expenses;

It attends to all suits brought by or against the company and performs all conservatory acts.

The members of the committee of management are entitled to a special remuneration, the amount whereof is determined by the general meeting, apart from their share of the profits specified by section 42 hereunder.

Remuneration of members of committee.

The board of directors and the committee of management may further delegate a portion of their powers to one or

Delegation of powers by

board and
committee.

more of their members, or even to persons outside the company, by special mandate and for specific objects.

Auditors.

29. Every year one or more commissioners or auditors may be appointed by the general meeting, whose duty shall be to report to the general meeting of the following year on the position of the company, its statement of accounts and the accounts submitted by the board of directors.

May be chosen
outside of
shareholders.
Take commu-
nication of
books.

They may be chosen outside of the shareholders and are re-eligible at the expiration of their term of office.

During the three months preceding the date of the general meeting, the auditors are empowered, whenever they deem advisable in the interest of the company, to take communication of the books and examine the operations of the company.

Where.

Such communication shall be taken and such examination be made at the company's office in Paris.

May call gen-
eral meeting.
Entitled to re-
muneration.

They may, in case of urgency, call the general meeting. They are entitled to remuneration, the amount whereof is determined by the general meeting.

General meet-
ing and its
decisions.

30. The general meeting duly constituted represents the entire body of shareholders. Its decisions are binding on all, even on the absent, on those who do not concur therein and on persons unable to exercise civil rights.

When to be
held and
where.

31. The general meeting shall be held each year on the last Tuesday of the month of March, at the company's office in Paris, at two o'clock in the afternoon, without any notice thereof being necessary.

Extraordinary
meetings.

Extraordinary meetings may be called, in case of urgency, by the auditors or by the directors.

How com-
posed.

32. The general meeting consists of shareholders holding five shares (save and except as specified in section 37 hereunder.)

No person can represent a shareholder unless he be himself a member of the meeting.

The board of directors decides in what manner the shareholders shall establish that they hold the required number of shares to entitle them to attend the meeting or how they shall deposit the same within a delay which shall not be less than five days before the meeting.

How resolu-
tions are
passed.

Resolutions shall be adopted by the majority of votes of the members present; when the votes are equally divided, the president's vote is a casting vote.

Voting of
members.

Every member of the meeting shall have one vote for every five shares which he holds (save and except as specified in section 37 hereunder).

Nevertheless, no one can represent more than ten votes in all, either in his own name or as proxy.

33. In order that the resolutions of the general meeting may be valid, a number of shareholders, representing at least one fourth of the capital, must be present (save and except as specified in section 37 hereunder).

Quorum of general meeting.

If such condition be not fulfilled, the general meeting is again called, by a notice published in the official journal of Paris at least fifteen days before such second meeting.

Adjourned meeting.

At the second meeting, the resolutions passed are valid, whatever may be the number of shares represented; but they can affect only the matters set forth in the order of proceedings laid down for the first meeting.

Resolutions at second meeting.

34. The order of proceedings is determined by the board of directors.

Order of proceedings.

No matters other than those specified in the order of proceedings can be taken up.

What to be considered at meeting.

35. The meeting is presided over by the president of the board of directors or by any director who replaces him;

Officer to preside.

The duties of scrutineers are performed by two of the largest shareholders present, and, on their refusal to act, by the two next largest shareholders, and so on in succession until the office is accepted.

Scrutineers.

The board selects its secretary.

Secretary.

A list is taken of all who are present; it contains the names and residences of the shareholders present, and the numbers of shares held or represented by each of them; this list is certified by the board and remains annexed to the minutes.

List of those present and what to contain.

36. The general meeting hears the report of the directors on the company's business; it also hears the report of the auditors on the company's position, the statement of accounts and the accounts submitted by the directors.

Duties and powers of general meeting.

It discusses, approves or rejects the accounts and determines the dividends.

It appoints the directors whenever it is necessary to replace them.

It selects the auditors.

It determines the allowances of the board of directors as represented by counters or checks given them when present at meetings, also the remuneration of the auditors.

It deliberates upon the matters specified in the order of proceedings.

It authorizes all hypothecary loans by means of obligations or of issues of debentures.

Finally, it decides upon all matters affecting the interests of the company, and confers upon the board the necessary authorization for all cases where the powers given it are insufficient.

The auditors' report must be submitted before the resolution approving the statement of accounts and the accounts can be passed, otherwise such resolution shall be null and void.

What may be done at extraordinary general meetings.

37. When an extraordinary general meeting is called, it may, at the instance of the board of directors, make all such amendments to the by-laws as it may deem expedient, and amongst other matters decide :

The increase of the capital stock by the issue of new shares to be exchanged for property delivered or to be paid for in money ;

The reduction of the capital stock ;

The total or partial liquidation of such capital ;

The continuance or anticipated dissolution of the company ;

The amalgamation or alliance of the company with others which are now or which may hereafter be in existence.

But, in the cases provided for by this section, the general meeting cannot validly adopt a resolution unless a number of shareholders representing at least one half of the capital stock be present.

The meeting is composed as aforesaid ; nevertheless, when the meeting could not be duly constituted in accordance with the foregoing clause, when first called, a second general meeting may be called which may validly pass resolutions by the majority of the votes of the members present, whatever may be their number.

Notices calling meetings must contain a summary indication of the object of the meeting, when the meeting has to decide upon any case provided for in this section.

Minutes of general meeting.

38. The proceedings of the general meeting are recorded by minutes entered in a special register. Such minutes, as well as those which may be drawn up in authentic form, are signed by the members of the board.

Copies how signed.

Copies of or extracts from the minutes, which are produced before the courts or elsewhere, are signed by the president of the board, or, in his default, by another director.

Company's business year.

39. The company's business year commences on the first of January and ends on the thirty-first December.

Half yearly balance sheet.

40. Every six months a summary statement of the company's assets and liabilities is made out.

This statement is placed at the disposal of the auditors.

Yearly inventory.

An inventory is likewise made every year of the moveable and immoveable property and of the assets and liabilities of the company.

The inventory, statement of accounts, and profit and loss account are placed at the disposal of the auditors thirty days before the general meeting at the latest.

Both to be placed before auditors.

They are submitted to the meeting.

Submitted to meeting.

Fifteen days before the general meeting, any shareholder may, at the company's office, take communication of the inventory and list of shareholders, and may, on paying for the same, procure a copy of the statement containing the inventory and the auditors' report.

Communication thereof by shareholders.

41. A special account is opened, covering all the costs incurred in effecting the incorporation of the company.

Account for incorporating company. How dealt with.

Such account may be apportioned or written off within the delays and in such proportion as may be determined by the board of directors.

42. Out of the net profits, after deducting all costs and charges, there shall first be paid :

Division of profits.

1. Five per cent. to constitute the reserve fund required by law ;

2. An amount sufficient to pay the shareholders five per cent of the amount of the paid up shares.

The balance is disposed of as follows :

1. Five per cent. is paid to the board of directors, who divide it amongst themselves as they think proper ;

2. The surplus is paid to the shareholders.

43. The reserve fund consists of the accumulation of the amounts levied by the annual contribution out of the profits under the foregoing section.

Reserve fund and in what it consists.

When, by means of such contribution, the reserve fund reaches an amount equal to one fifth (or one tenth at least) of the capital stock, such contribution may cease to be levied.

It shall again be levied if the reserve fund is encroached upon.

44. The interest and dividends on any share are validly paid to the holder of the certificate or coupon.

To whom may interest, &c., be paid.

45. In the event of the loss of one half of the capital stock, the directors shall call a general meeting of all the shareholders for the purpose of deciding whether the company shall continue or go into liquidation.

General meeting to be called in case half of capital is lost.

The decision of the meeting is, in all cases, made public.

Decision public.

46. When the company ceases to do business, or in case of its anticipated dissolution, the general meeting, on motion of the directors, decides the manner in which such

General meeting to decide on manner of conducting

liquidation,
&c.

liquidation shall be effected and appoints one or more liquidators whose powers it determines.

Power of
liquidators to
sell, &c.,
rights.

The liquidators may, under a resolution of the general meeting, transfer or make over the rights, actions and obligations of the dissolved company to any other association or person.

General meet-
ing retains
powers dur-
ing liquida-
tion.

The general meeting, duly constituted, shall, during the liquidation, retain the same powers as while the company was in operation; it may, in particular, approve the accounts of the liquidation and give acquittances therefor.

Division of
proceeds
among share-
holders.

When the company is wound up and after its obligations are settled, the net proceeds of the liquidation shall be divided amongst the shareholders, in proportion to the number of their shares.

Suits against
board of di-
rectors.

47. Suits affecting the general and collective interests of the company can be instituted against the board of directors or any of its members only in the name of the body of shareholders and under a resolution of the general meeting.

Every shareholder who wishes to have such a suit instituted must, at least fifteen days before the ensuing general meeting, notify his intention to the president of the board of directors, who is bound to insert the motion in the order of proceedings for such meeting.

If the motion be negatived by the meeting, no shareholder can take legal proceedings in the same matter on behalf of any particular interest. If it be carried, the general meeting appoints one or two commissioners to carry on the suit.

Services necessitated by the proceedings, are effected only on the commissioners.

Services on
company.

48. The service of any summons or process on the company on behalf of third parties may be effected by leaving a copy thereof at the head office in St. Johns, with any reasonable person in charge of the same, or elsewhere, with the company's manager.

Certain ar-
ticles of R. S.
not to apply.

49. Articles 4656, 4657, 4658, 4659, 4660, 4661, 4669, 4670, 4672, 4674, 4675, 4680, and 4688 of the Joint Stock Companies' General Clauses' Act, shall not apply to the company nor form part of this act.

Coming into
force.

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