

UNEDITED

# *The Companies Act*

*being*

Chapter 124 of *The Revised Statutes of Saskatchewan, 1953*  
(effective February 1, 1954).

FOR HISTORICAL REFERENCE ONLY

## **NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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# CHAPTER 124

## An Act respecting Companies

### SHORT TITLE

#### Short title

1 This Act may be cited as *The Companies Act*.

R.S.S. 1953, c.124, s.1.

### ADMINISTRATION

#### By Provincial Secretary

2 This Act shall be administered by the Provincial Secretary.

R.S.S. 1940, c.113, s.2; R.S.S. 1953, c.124, s.2.

### INTERPRETATION

#### Interpretation

3(1) In this Act:

#### “articles”

1 “**articles**” means articles of association prescribing regulations for a company, whether under this or any former *Companies Act*, or under *The Companies Ordinance, 1901*, and includes the bylaws of a company incorporated under any ordinance which did not provide for articles of association;

#### “call”

2 “**call**” includes assessment, instalment and any other sum paid or agreed to be paid or payable in respect of a share;

#### “charter”

3 “**charter**” includes any Act, statute, ordinance or other provision of law by or under which an extra-provincial company has been incorporated, and any amendments thereto applying to the company, and any memorandum of association, agreement or deed of settlement of the company, and any letters patent or other instrument incorporating the company, and any licence or certificate of registration of the company;

#### “charter and regulations”

4 “**charter and regulations**” means the charter of an extra-provincial company and its articles of association, regulations, bylaws and rules;

#### “company”

5 “**company**” mean a company incorporated under this or any former *Companies Act* of Saskatchewan and includes a company incorporated under an ordinance of the North-West Territories which by section 16 of *The Saskatchewan Act* is subject to the legislative authority of this province;

#### “court” “judge”

6 “**court**” means the Court of Queen’s Bench for Saskatchewan, and “**judge**” means a judge of that court;

**“debenture”**

7 **“debenture”** includes debenture stock, bonds and any other securities of a company constituting a charge on the assets of the company;

**“director”**

8 **“director”** includes any person occupying the position of director by whatever name called;

**“document”**

9 **“document”** includes summons, notice, order, certificate, register and legal process;

**“dominion company”**

10 **“dominion company”** means a company incorporated by or under an Act of the Parliament of Canada;

**“extra-provincial company”**

11 **“extra-provincial company”** means a company incorporated otherwise than by or under an Act of this province or an ordinance of the North-West Territories; but includes companies incorporated by or under such an ordinance which are not by section 16 of *The Saskatchewan Act* subject to the legislative authority of this province, and also includes a Dominion company;

**“land”**

12 **“land”** includes messuages, lands, tenements and hereditaments of every nature and description and includes leaseholds;

**“mortgage”**

13 **“mortgage”** includes charge;

**“private company”**

14 **“private company”** means a company which by its memorandum or articles:

- (a) restricts the right to transfer its shares; and
- (b) limits the number of its members to fifty or less, the number so limited being, unless the memorandum or articles otherwise provide, exclusive of persons who are in the employment of the company and of persons who were members while in the employment of the company and continue to be members after the termination of such employment; and
- (c) prohibits any invitation to the public to subscribe for shares or debentures of the company;

**“prospectus”**

15 **“prospectus”** means any prospectus, notice, circular, advertisement or other document inviting the public to subscribe for or purchase, or offering to the public for subscription or purchase, any shares or debentures of a company or an intended company;

**“public company”**

16 **“public company”** means a company which is not a private company;

**“registrar”**

17 **“registrar”** means the Registrar of Joint Stock Companies; and includes the Deputy Registrar of Joint Stock Companies;

**“specially limited company”**

18 **“specially limited company”** means a company limited company” by shares, the memorandum of which provides that no member shall be personally liable for the amount, if any, unpaid on his shares;



**“special resolution”**

19 **“special resolution”** means:

- (a) a resolution passed by a majority of not less than three-fourths of such members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of the company, of which such notice as the articles provide, and not being less than fourteen days’ notice, specifying the intention to propose the resolution as a special resolution has been duly given;
- (b) a resolution passed at such a meeting of which less than fourteen days’ notice has been given, if all the members entitled to attend and vote so agree.

(2) ‘Where the memorandum or articles of a company refer to an extraordinary resolution, that expression shall be taken to mean a special resolution.

R.S.S. 1940, c.113, s.3; 1953, c.41, s.2; R.S.S.  
1953, c.124, s.3.

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## PART I

### **Incorporation of Companies**

#### CONSTITUTION AND ORGANIZATION

##### **Prohibition of formation of unregistered associations for gain**

4 No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is incorporated under this Act or by or under some other Act of the Legislature.

R.S.S. 1940, c.113, s.4; R.S.S. 1953, c.124, s.4.

##### **Mode of forming incorporated company**

5(1) Any three or more persons, or, in the case of a private company, any two or more persons, associated for any lawful purpose permitted by this Act, may form an incorporated company with limited liability by subscribing their names to a memorandum of association (form A or form B) and otherwise complying with the requirements of this Act in respect of registration.

(2) No subscriber to the memorandum shall take less than one share.

(3) Each subscriber shall write opposite to his name his address and occupation or description, the number and also, if there are shares of different kinds and classes, the kind and class of shares he takes.

(4) Each subscriber shall sign in presence of one witness who shall attest the signature, and shall write his address and description.

R.S.S. 1940, c.113, s.5; R.S.S. 1953, c.124, s.5.

**Objects of a specially limited company**

**6** The objects of a specially limited company shall be restricted to prospecting for, locating, acquiring, managing, developing, working and selling mines, mineral claims and mining properties and the winning, getting, treating, refining and marketing of minerals therefrom, and the exercise of such powers as are incidental or conducive to the attainment of these objects.

R.S.S. 1940, c.113, s.6; R.S.S. 1953, c.124, s.6.

**Restriction on objects and powers**

**7** No company shall be incorporated, nor shall a company have power:

- (a) to construct and operate a railway or a telegraph line;
- (b) to carry on the business of a trust company as defined by *The Trust Companies Act*; or
- (c) to carry on the business of a loan company as defined by *The Loan Companies Act*.

R.S.S. 1940, c.113, s.7; 1942, c.24, s.2; R.S.S. 1953, c.124, s.7.

**Restriction on registration of companies by certain names**

**8(1)** The registrar may refuse incorporation to any company the name of which, or part of the name of which, includes any of the following words: "Imperial", "Crown", "King's", "Queen's", "Empire", "Royal", "Dominion", "Canadian", "Saskatchewan", "Co-operative", "Pool", or words of similar import.

**(2)** A company shall have the word "Limited" or the abbreviation "Ltd." as the last word of its name, or, in the case of a specially limited company, the word "Limited" followed by the words "Non-Personal Liability".

R.S.S. 1940, c.113, s.8; R.S.S. 1953, c.124, s.8.

## INSURANCE COMPANIES

**Incorporation and powers**

**9(1)** No company shall be incorporated under this Act for the purpose of carrying on the business of insurance without the written approval of the Superintendent of Insurance.

**(2)** Applicants for the incorporation of an insurance company shall give to the Superintendent of Insurance at least one month's notice of intention to apply for incorporation and shall publish a notice of such intention in *The Saskatchewan Gazette*.

**(3)** No company incorporated under this Act for the purpose of carrying on the business of insurance shall carry on any other business.

**(4)** No company incorporated under this Act prior to the eleventh day of April, 1942, shall carry on the business of insurance.

1942, c.24, s.3; R.S.S. 1953, c.124, s.9.

## COMPANIES NOT FORMED FOR GAIN

**Charitable and other companies not for gain**

**10(1)** Where it is proved to the satisfaction of the Provincial Secretary that an association about to be formed as a limited company is to be formed for promoting art, science, religion, charity or any other useful object, or for purposes of recreation, and intends to apply its profits, if any, or other income in promoting its objects and to prohibit the payment of any dividend to its members, the Provincial Secretary may direct that the association be incorporated as a company with limited liability, without the addition of the word “Limited” or the abbreviation “Ltd.” to its name, and the association may be incorporated accordingly.

(2) The association shall be subject to all the obligations of a limited company except those of using the word “Limited” or the abbreviation “Ltd.” as part of its name, of publishing its name and of sending lists of directors and managers to the registrar, and shall be subject to such regulations as the Lieutenant Governor in Council deems advisable.

(3) Regulations made by the Lieutenant Governor in Council under subsection (2) apply to all companies falling within the term of subsection (1), whether incorporated under this or any former Act of Saskatchewan, or under an Ordinance of the North-West Territories.

R.S.S. 1940, c.113, s.9; R.S.S. 1953, c.124, s.10.

## CAPITAL AND SHARES

**Shares to be personalty**

**11** A share in a company shall be personal estate, transferable in manner provided by the articles of the company, and shall not be of the nature of real estate.

R.S.S. 1940, c.113, s.10; R.S.S. 1953, c.124, s.11.

**Limited liability of members**

**12** The liability of a member in respect of and share held by him in a company shall be limited:

- (a) in the case of a share with nominal or par value, to the amount unpaid thereon;
- (b) in the case of a share without nominal or par value, to the amount unpaid thereon of the price or consideration for which the share was issued by the company:

Provided that, in the case of a specially limited company, no member shall be personally liable for such amount or for any debt contracted or payable by the company.

R.S.S. 1940, c.113, s.11; R.S.S. 1953, c.124, s.12.

**Classes of shares**

**13(1)** The shares in a company may be shares either with or without a nominal or par value, and the memorandum shall state:

- (a) where the shares have a nominal or par value, the number of such shares and the nominal amount or par value of each; or

(b) where the shares are without nominal or par value, the number which the company is authorized to issue; or

(c) where the shares are of both kinds, particulars there of in accordance with clauses (a) and (b).

(2) Where the shares in a company are shares both with and without nominal or par value, the shares with nominal or par value shall be a class or classes of shares distinct from the shares without nominal or par value, and shall have attached thereto by the memorandum or articles or pursuant to this Act special rights in respect of capital or dividends or both capital and dividends.

(3) No shares with nominal or par value shall be of a less nominal or par value than fifty cents in the case of a specially limited company, or one dollar in any other case, but this provision does not, except as hereinafter provided, apply to an existing company.

(4) Each share without nominal or par value shall be equal to every other such share, subject to any special rights or restrictions attached thereto under the memorandum or articles or pursuant to this Act.

R.S.S. 1940, c.113, s.12; R.S.S. 1953, c.124, s.13.

#### **Capital and shares to be expressed in Canadian currency**

**14** The amount of the capital of a company and the nominal or par value, if any, of its shares shall be expressed currency in Canadian currency.

R.S.S. 1940, c.113, s.13; R.S.S. 1953, c.124, s.14.

#### **Authorized capital where shares with nominal or par value**

**15** The authorized capital of a company having shares with a nominal or par value shall, with respect to those shares, be the total nominal amount of those shares, and the memorandum shall state that amount.

R.S.S. 1940, c.113, s.14; R.S.S. 1953, c.124, s.15.

#### **Minimum capital where shares without nominal or par value issued**

**16(1)** Where a company is authorized to issue shares without nominal or par value, the capital of the company shall with respect to those shares be an amount at least issued equal to the aggregate amount of the price or consideration paid to the company on or for such of those shares as are issued, together with such amounts as may from time to time be transferred to such capital by ordinary resolution, and the memorandum shall state that the capital of the company shall be so computed.

(2) Where any shares in a company are without nominal or par value, the memorandum or articles may for the purpose of computing the fees payable under this Act also state the maximum price or consideration at or for which such shares may be issued, and which shall be not less than fifty cents for each share in the case of a specially limited company and not less than one dollar per share in any other case.

R.S.S. 1940, c.113, s.15; R.S.S. 1953, c.124, s.16.

**Treatment of surplus as capital**

**17(1)** Where shares without nominal or par value are issued in consideration for a going concern which has a surplus over and above all liabilities, the company shall not be bound to treat the surplus as part of its capital, but may carry it in its accounts as surplus.

(2) Where a company having a surplus issues shares without nominal or par value, that portion of the consideration for such shares which bears the same proportion to the total consideration for such shares as the surplus bears to the total capital and surplus may be treated by the company as surplus and not as capital, if the company determines to treat it so at or before the date on which any such shares are issued, and makes known to every applicant therefor that such portion of the consideration paid or payable by him in respect of the shares will be so treated.

R.S.S. 1940, c.113, s.16; R.S.S. 1953, c.124, s.17.

**ARTICLES OF ASSOCIATION****Articles of association**

**18(1)** There may be registered with the memorandum articles of association prescribing regulations for the company, and such articles may adopt all or any of the regulations contained in table A in the first schedule.

(2) If the articles are not registered or, if articles are registered, in so far as the articles do not exclude or modify the regulations in that table, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent as if they were contained in duly registered articles.

(3) Articles shall be printed or typewritten and be divided into paragraphs numbered consecutively.

(4) The articles, if any, shall be signed by each subscriber to the memorandum of association in the presence of at least one witness, who shall attest the signature.

R.S.S. 1940, c.113, s.17; R.S.S. 1953, c.124, s.18.

**REGISTRATION OF MEMORANDUM AND ARTICLES****Delivery of memorandum and articles to registrar**

**19** The applicants for incorporation shall deliver the memorandum and the articles, if any, to the registrar, and if all other requirements precedent to incorporation have been complied with, the registrar shall retain and register them:

Provided that the registrar may refer the matter to the Lieutenant Governor in Council who may refuse registration at his discretion and in case of refusal the memorandum and articles shall not be registered.

R.S.S. 1940, c.113, s.18; R.S.S. 1953, c.124, s.19.

## INCORPORATION AND POWERS

**Issue of certificate of incorporation**

**20(1)** On the registration of the memorandum of a company, the registrar shall issue a certificate under his seal of office, showing that the company is incorporated as a limited or specially limited company, as the case may be.

(2) The registrar shall publish in the *Gazette* a statement of the incorporation of the company, showing the date of incorporation, particulars of its capital and shares, the situation of its registered office, and the objects for which it is established but omitting any reference to the powers conferred by section 30, other than a reference to such powers as are expressly excluded by the memorandum of the company.

R.S.S. 1940, c.113, s.19; R.S.S. 1953, c.124, s.20.

**Corrections where certificate issued by inadvertence**

**21** Where the memorandum and the articles, if any, of the company as registered do not in fact comply with the requirements of this Act, and the registrar by inadvertence issues a certificate of incorporation, the company shall, at his request, pass such resolution and file with him such documents as he requires; and thereupon the registrar shall correct the register, and, if it appears to him to be necessary, may, upon the surrender of the certificate of incorporation, issue a corrected certificate.

R.S.S. 1940, c.113, s.20; R.S.S. 1953, c.124, s.21.

**Conclusiveness of certificate**

**22** A certificate of incorporation, whether as originally issued by the registrar or as corrected, shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental to incorporation have been complied with, and that the company is a company authorized to be incorporated and duly incorporated under this Act.

R.S.S. 1940, c.113, s.21; R.S.S. 1953, c.124, s.22.

**Effect of incorporation**

**23** From the date of incorporation mentioned in the certificate the subscribers, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, with the powers and with the liability on the part of the members set forth in this Act.

R.S.S. 1940, c.113, s.22; R.S.S. 1953, c.124, s.23.

**Effect of memorandum and articles**

**24(1)** The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they had been respectively signed and sealed by each member, and contained covenants, on the part of each member, his heirs, executors and administrators, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Act.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company of the nature of a specialty debt.

R.S.S. 1940, c.113, s.23; R.S.S. 1953, c.124, s.24.

**Prohibition of carrying on business with less than the proper number of members**

**25** A public company shall not carry on business with fewer than three, nor a private company with fewer than two, members, and if at any time a company carries on business for more than six months with fewer than three members or two members, as the case may be, every person who is a member of the company during the time that it so carries on the business after those six months, and is cognizant of the fact that it is so carrying on business, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same without joinder in action of any other member.

R.S.S. 1940, c.113, s.24; R.S.S. 1953, c.124, s.25.

**Effect of failure of private company to comply with memorandum or articles**

**26** Where a private company fails to comply with the provisions of its memorandum or articles which constitute comply with it a private company, sections 25, 85, 100, 149, 150, 153 and 171 apply to the company as if it were not a private company:

Provided that the court, on being satisfied that the failure to comply with the provisions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as may seem to the court just and expedient, order that the company be believed from the application of those sections as above mentioned.

R.S.S. 1940, c.113, s.25; R.S.S. 1953, c.124, s.26.

**Circumstances in which company ceases to be a private company**

**27** Where a private company alters its memorandum or articles in such manner that they no longer include the provisions which constitute it a private company, the company shall, as on the date of the alteration, cease to be a private company, and shall, within fourteen days after that date, file with the registrar a prospectus or statement in lieu of prospectus, and if the company fails to comply with this provision it is guilty of an offence; but this provision does not apply to a company which passes a special resolution for the purposes of its conversion into a public company under section 72.

R.S.S. 1940, c.113, s.26; R.S.S. 1953, c.124, s.27.

**Private company inviting public to subscribe for shares**

**28** Every private company which invites the public to subscribe for any shares or debentures of the company is guilty of an offence; but this provision does not apply with respect to an invitation contained in a prospectus which is issued by a private company for the purposes of its conversion into a public company under section 72.

R.S.S. 1940, c.113, s.27; R.S.S. 1953, c.124, s.28.

**EXTRA-PROVINCIAL CAPACITY****Extra-provincial capacity of provincial corporations**

**29(1)** Every company heretofore or hereafter created:

- (a) by or under the authority of any general or special Ordinance of the North-West Territories and subject to the legislative authority of the province; or



(b) under any general or special Act of this Legislature;

shall, unless a contrary intention is expressed in a special Act or ordinance incorporating it or in a memorandum of association thereof, have and be deemed to have had since incorporation capacity to accept extra-provincial powers and rights and to exercise its powers beyond the boundaries of the province to the extent to which the laws in force where such powers are sought to be exercised permit.

(2) An express provision in the charter of a company which confines its operations to the province may be abrogated in the same manner as the objects or purposes of the company may by law be altered.

(3) For the purposes of this section “charter” includes any Act, letters patent under the seal of the Territories, certificate of incorporation, memorandum of association, declaration or other instrument by or under which a company has been or may be incorporated in the Territories or in the province.

R.S.S. 1940, c.113, s.28; R.S.S. 1953, c.124, s.29.

## ANCILLARY POWERS

### Ancillary powers

**30(1)** A company shall have as ancillary and incidental to the objects set forth in the memorandum the following powers unless such powers or any of them are expressly excluded by the memorandum, namely:

- (a) to purchase, take on lease or in exchange, hire or otherwise acquire and hold any real or personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business;
- (b) to issue and allot fully paid shares of the capital stock of the company in payment or part payment for any real or personal property purchased or otherwise acquired by the company;
- (c) subject to section 7, to construct, improve, maintain, develop, work, manage, carry out or control any roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated, directly or indirectly, to advance the company’s interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;
- (d) to acquire or undertake the whole or any part of the business, property and liabilities of any person or company, wherever incorporated, carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purpose of the company;
- (e) to apply for, purchase or otherwise acquire any patents, patent rights, trade marks, formulae, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated, directly or indirectly, to benefit the company; and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired;



- (f) to amalgamate or enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company, wherever incorporated, carrying on or engaged in, or about to carry on or engage in, any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as, directly or indirectly, to benefit the company;
- (g) to enter into any arrangements with any governments or authorities, municipal, local or other, that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
- (h) subject to section 149, to take or otherwise acquire and hold the shares, stock, debentures or other securities of any company, wherever incorporated, having objects altogether or in part similar to those of the company, or carrying on any business capable of being conducted so as, directly or indirectly, to benefit the company, and to sell or reissue, with or without guarantee, or otherwise deal with the same;
- (i) to establish agencies and branches and to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations;
- (j) subject to section 150, to lend money to any person or company, wherever incorporated, having dealings with the company or with whom the company proposes to have dealings, and to guarantee the contracts of or otherwise assist any such person or company;
- (k) to raise and assist in raising money for, and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities, or otherwise, any company or corporation wherever incorporated, with which the company may have business relations, and to guarantee the performance of contracts by any such company or corporation, or by any person with whom the company has business relations;
- (l) to sell or dispose of the undertaking of the company or any part thereof for such consideration as the company thinks fit, and in particular for shares, debentures or securities of any other company, wherever incorporated, having objects altogether or in part similar to those of the company;
- (m) to promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company, or for any other purpose which may seem, directly or indirectly, calculated to benefit the company;
- (n) subject to section 145, to remunerate any person or company, wherever incorporated, for services rendered or to be rendered in placing or assisting to place, or guaranteeing the placing of, any of the shares in the company's capital or any debentures, debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of or the sale or disposition of its business;

- (o) to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments;
- (p) to carry on any business capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to enhance the value of or render profitable any of the company's property or rights;
- (q) to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company;
- (r) to invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined;
- (s) to distribute among the shareholders of the company in kind, specie or otherwise, as may be resolved, by way of dividend, bonus or in any other manner deemed advisable, any property or assets of the company or any proceeds of the sale or disposal of any property of the company, and in particular any shares, bonds, debentures, debenture stock or other securities of or in any other company belonging to the company, or of which it may have power to dispose;
- (t) to pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof, or which the company may consider to be preliminary;
- (u) to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or its predecessors in business, or the dependants or connections of such persons, to grant pensions and allowances, to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object;
- (v) to procure the company to be registered and recognized in any British or foreign country, and in any province or territory of Canada, and to designate persons therein, according to the laws of such country, to represent the company and to accept service for and on behalf of the company of any process or suit;
- (w) to carry out all or any of the objects of the company, and do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others;
- (x) to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.
- (2) This section does not apply to a specially limited company, and applies only to an existing company to the extent provided by any resolution passed by the company under section 53.
- (3) Nothing in this section prevents a company from including in its memorandum other powers in addition to or in modification of the powers mentioned in subsection (1).

**Official seal for use outside province**

**31(1)** Every company whose objects require or comprise the transaction of business outside the province, may, if so authorized by its articles, have for use in any other province, state or country an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of the province, state or country where it is to be used.

(2) A company having such an official seal may, by writing under its common seal, authorize any person appointed for the purpose to affix the same to any deed or other document to which the company is a party in such province, state or country.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period, if any, mentioned in the instrument conferring the authority; or, if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing an official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the corporation as if it had been sealed with the common seal of the company.

R.S.S. 1940, c.113, s.30; R.S.S. 1953, c.124, s.31.

**Power of attorney**

**32** Every company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place situated within or outside the province; and every deed signed by the attorney on behalf of the company, and under his seal, shall, so far as the same is within his authority, bind the company and have the same effect as if it were under its common seal.

R.S.S. 1940, c.113, s.31; R.S.S. 1953, c.124, s.32.

**Representation at meetings of other companies**

**33(1)** Every company may:

(a) if it is a member of another company wherever incorporated, by resolution of its directors, authorize such person as it thinks fit to act as its representative at any meeting of that company or at any meeting of any class of members of that company;

(b) if it is a creditor, including a holder of debentures, of another company, wherever incorporated, authorize, by resolution of its directors, such person as it thinks fit to act as its representative at any meeting of any creditors of that company.

(2) The person so authorized shall be entitled to exercise the same powers on behalf of the company which he represents as that company could exercise if it were an individual shareholder, creditor or holder of debentures of the other company.

R.S.S. 1940, c.113, s.32; R.S.S. 1953, c.124, s.33.

**Power to hold property as joint tenant**

**34(1)** Every company shall be capable of acquiring and holding any real or personal property in joint tenancy in the same manner as if it were an individual; and where a company and an individual, or two or more companies become entitled to any such property under circumstances or by virtue of any instrument which would, if the company had been an individual have created a joint tenancy, they shall be entitled to the property as joint tenants:

Provided that the acquisition and holding of property by a company in joint tenancy shall be subject to the like conditions and restrictions as attach to the acquisition and holding of property by a company in severalty.

(2) Where a company is joint tenant of any property, then on its dissolution the property shall devolve on the other joint tenant.

(3) The provisions of this section apply to every corporation lawfully doing business in the province whether a company under this Act or not.

R.S.S. 1940, c.113, s.33; R.S.S. 1953, c.124, s.34.

**COMMENCEMENT OF BUSINESS****Restrictions on company where prospectus not issued**

**35(1)** A public company which does not issue a prospectus on or with reference to its formation or organization for business shall not allot any of its shares or debentures or commence any business or exercise any borrowing powers, unless the company has filed with the registrar a statement in lieu of prospectus (form C), and the registrar has issued under his seal of office a certificate that the company is entitled to commence business.

(2) Where the statement in lieu of prospectus contains particulars of any contract under which shares or debentures are to be allotted by the company as the consideration for property or for services or other consideration than cash, the contract or, where the contract is not reduced to writing, full and exact particulars of the contract shall be filed with the statement in lieu of prospectus.

(3) The registrar shall, on the filing of the statement in lieu of prospectus and such contract or particulars as are mentioned in subsection (2), and, if the company is required to comply with *The Securities Act*, upon compliance with that Act, issue under his seal of office a certificate showing that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled.

(4) For the purposes of form C “vendor” shall have the meaning assigned to it by subsection (5) of section 116.

(5) A contract made by a company before the date at which it is entitled to commence business shall be provisional only and shall not be binding on the company until that date, and on that date it shall become binding.

(6) A condition requiring or binding an applicant for shares or debentures to waive compliance with any requirement of this section shall be void.

(7) A company which acts in contravention of this section is guilty of an offence.

(8) A company which has filed a prospectus under section 36, but has not allotted any shares or debentures offered by that prospectus, and determines not to make an offer of shares or debentures to the public, may proceed under this section.

R.S.S. 1940, c.113, s.34; R.S.S. 1953, c.124, s.35.

**Restrictions on company where prospectus issued**

**36(1)** A public company which issues a prospectus on or with reference to its formation or organization for business shall not allot any shares or debentures or commence any business or exercise any borrowing powers, unless:

- (a) the company has filed the prospectus with the registrar;
- (b) the requirements of section 121 with regard to the minimum subscription have been complied with;
- (c) the company has filed with the registrar a statutory declaration as prescribed by section 38; and
- (d) the registrar has issued under his seal of office a certificate that the company is entitled to commence business.

(2) Nothing in this section prevents the simultaneous offer for subscription or allotment of shares and debentures.

(3) Subsections (5) and (6) of section 35 apply to a company to which this section applies.

(4) A company which fails to comply with or contravenes any provision of this section is guilty of an offence.

R.S.S. 1940, c.113, s.35; R.S.S. 1953, c.124, s.36.

**Exceptions to ss.35 and 36**

**37** Nothing in section 35 or 36 applies to:

- (a) a company incorporated prior to the first day of September, 1933, the memorandum of which provides that the company does not intend to invite the public to subscribe for its shares or debentures;
- (b) a company incorporated prior to the first day of May, 1920, which has not issued a prospectus inviting the public to subscribe for its shares or debentures.

R.S.S. 19,10, c.113, s.36; R.S.S. 1953, c.124, s.37.

**Certificate to commence business**

**38(1)** When the minimum subscription fixed by a prospectus to which section 36 refers has been subscribed, the secretary or one of the directors shall make a statutory declaration (form D), and the company shall file the declaration within one month from the date on which the minimum subscription is subscribed.

(2) Upon compliance with this section, and, if the company is required to comply with *The Securities Act*, upon compliance with that Act, the registrar may issue under his seal of office a certificate that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled.

R.S.S. 1940, c.113, s.37; R.S.S. 1953, c.124, s.38.

**Variation of contracts before statutory meeting**

**39** A public company shall not, previously to the statutory meeting, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of that meeting.

R.S.S. 1940, c.113, s.38; R.S.S. 1953, c.124, s.39.

**Certain shares, etc., not to be dealt with before statutory meeting**

**40(1)** No shares or debentures of a public company allotted or issued or agreed to be allotted or issued to any person who is or has been engaged or interested in the information or promotion of the company for property, services or any consideration other than cash shall be transferred, sold or in any way dealt with or disposed of before the statutory meeting of the company, and no certificate of any such share or debenture shall be issued or delivered by the company until that meeting is held.

(2) A transfer, sale or other dealing in or disposition of shares or debentures contrary to this section shall be void.

(3) Every company which and every person who contravenes this section is guilty of an offence, and the directors of the company are liable to compensate the company and any person injured for any loss, damage or costs which the company or such person may have sustained or incurred by a contravention of this section:

Provided that:

(a) a director shall not be liable if he proves that the contravention was not due to any misconduct or negligence on his part; and

(b) proceedings to recover any such loss, damage or costs shall not be commenced after the expiration of two years from the date of the contravention.

R.S.S. 1940, c.113, s.39; R.S.S. 1953, c.124, s.40.

**STATUTORY MEETING AND REPORT****Statutory meeting**

**41** Every public company shall, within two months from the date at which the company becomes entitled to commence business, unless the time is extended by the registrar, hold a general meeting of the company, at which all members, and all persons to whom shares have been allotted or whose applications for shares have been accepted, shall be entitled to be present.

R.S.S. 1940, c.113, s.40; R.S.S. 1953, c.124, s.41.

**Statutory report**

**42(1)** The directors shall, at least seven days before the day on which the meeting is to be held, forward to every member of the company, and to every other person entitled to receive it, a report certified by not less than two directors of the company and made up to a date not more than seven days before the date of the notice of the statutory meeting, and shall at the same time cause authenticated copies of the report and notice to be filed with the registrar.

(2) The report shall state:

- (a) the total number of shares or debentures allotted, distinguishing shares and debentures allotted as fully or partly paid up otherwise than in cash, and stating, in the case of shares or debentures partly paid up, the extent to which they are so paid up, and in either case the consideration for which they have been allotted;
  - (b) the total amount of cash received by the company in respect of all the shares and debentures allotted, distinguished as aforesaid;
  - (c) an abstract of the receipts of the company, and the payments made therefrom, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, particulars concerning the balance remaining in hand, and an account or estimate of the preliminary expenses of the company;
  - (d) the full names, addresses and occupations of the directors, auditors, if any, managers, if any, and secretary of the company; and
  - (e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.
- (3) The report shall, so far as it relates to the shares and debentures allotted by the company, and to the cash received in respect thereof, and to the receipts and payments of the company, be certified as correct by the auditors, if any, of the company.

R.S.S. 1940, c.113, s.41; R.S.S. 1953, c.124, s.42.

#### **Lists to be produced**

- 43(1)** The directors shall cause a list showing the full names, addresses and occupations of the members and of all other persons entitled to be present at the meeting, and the number of shares or debentures held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.
- (2) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company, or arising out of the report, and to pass any ordinary resolution, whether previous notice has been given or not.
- (3) The meeting may adjourn from time to time, and an adjourned meeting shall have the same powers as an original meeting.

R.S.S. 1940, c.113, s.42; R.S.S. 1953, c.124, s.43.

#### **Default**

- 44(1)** A company which makes default in complying with any requirements of section 42 or 43 is guilty of an offence:

Provided that the company, or any person liable for the default, may apply to the court for relief, and the court, if satisfied that such default was accidental or due to inadvertence, or that on other grounds it is just and equitable to grant relief, may make an order extending the time for compliance for such period as the court thinks proper.

- (2) Where an order is made under this section, an official copy thereof shall be filed with the registrar at the same time as a meeting is called or a report is filed, as the case may be, pursuant to the order.

R.S.S. 1940, c.113, s.43; R.S.S. 1953, c.124, s.44.



## PART II

### Alteration of Constitution

#### MEMORANDUM OF ASSOCIATION

##### Power to alter memorandum

**45** A company may not alter the conditions contained in its memorandum, except in the cases and in the mode and to the extent for which express provision is made in this Act.

R.S.S. 1940, c.113, s.44; R.S.S. 1953, c.124, s.45.

##### Alterations to be embodied in memorandum

**46(1)** Where any alteration is made in the memorandum of a company, every copy of the memorandum issued after the date of the alteration shall be in accordance with the alteration.

(2) Every company which fails to comply with this section is guilty of an offence.

R.S.S. 1940, c.113, s.45; R.S.S. 1953, c.124, s.46.

## ARTICLES

##### Alteration and embodiment of alterations

**47(1)** Subject to the provisions of this Act and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles; any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution.

(2) A copy of every extraordinary and special resolution, and of every ordinary resolution of the company passed under the authority of and affecting the contents of the articles, shall, so long as it is in force, be embodied in or annexed to every copy of the articles issued after its passing.

(3) Every company which makes default in embodying in or annexing to a copy of its articles a copy of a resolution required by this section to be so embodied or annexed is guilty of an offence.

R.S.S. 1940, c.113, s.46; R.S.S. 1953, c.124, s.47.

## NAME

##### Change of name

**48(1)** A company may, by special resolution and with the approval of the registrar change its name.

(2) If a company is desirous of changing its name, it shall give at least one month's previous notice in the *Gazette*, and in some newspaper published or circulated in the locality in which the operations of the company are carried on, of its intention to apply for a change of name, (form E) and shall state the name proposed to be adopted.



(3) The registrar, upon being satisfied that the company is in a solvent condition, that the change of name is not objectionable, that it has been sanctioned by a special resolution of the company and that the required notice has been given, shall enter the new name on the register in place of the former name, shall issue under his seal of office a certificate showing the change of name, and shall publish a notice of the change in the *Gazette*.

R.S.S. 1940, c.113, s.47; R.S.S. 1953, c.124, s.48.

#### Effect of change

**49(1)** The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against the company, and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

(2) A certificate by the registrar showing the former name of the company and the new name may be filed in the land titles office of any land registration district in which there are lands owned by the company or lands in which it has a registered interest, and thereafter the registrar of land titles shall accept for registration any transfer, mortgage, lease, assignment of mortgage or other instrument executed by the company in its new name, and shall deal with the lands affected thereby in all respects as if the title or interest of the company had always been registered in its new name.

R.S.S. 1940, c.113, s.48; R.S.S. 1953, c.124, s.49.

## REGISTERED OFFICE

#### Change of situation

**50** A company may by resolution change the situation in the province of its registered office.

R.S.S. 1940, c.113, s.49; R.S.S. 1953, c.124, s.50.

## OBJECTS AND POWERS

#### Alteration of objects

**51(1)** A company may, by special resolution confirmed by an order of the court, alter the provisions of its memorandum with respect to the objects of the company, so far as may be required to enable it:

- (a) to carry on its business more economically or more efficiently; or
- (b) to attain its main purpose by new or improved means; or
- (c) to enlarge or change the local area of its operations; or
- (d) to carry on some business which, under existing circumstances, may conveniently or advantageously be combined with the business of the company; or
- (e) to restrict or abandon any of the objects specified in the memorandum.

(2) The court may make an order confirming the resolution either wholly or in part, and on such terms and conditions as it thinks fit, on being satisfied:

(a) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the court, be affected by the alteration; and

(b) that, with respect to every creditor who, in the opinion of the court, is entitled to object, and who signifies his objection in manner directed by the court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been adequately secured:

Provided that the court may, in the case of any person or class, dispense with the notice required by this section.

(3) The court shall, in exercising its discretion under this section, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interests of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it thinks expedient for facilitating or carrying into effect any such arrangement:

Provided that no part of the capital of the company may be expended in any such purchase.

R.S.S. 1940, c.113, s.50; R.S.S. 1953, c.124, s.51.

#### **Order to be filed**

**52(1)** Where an order is made under section 51, the company shall, within fifteen days from the date of the order or within such further time as the court may allow, file with the registrar an office copy thereof, together with a copy of the memorandum as altered, and the resolution as confirmed by the order shall not take effect until the copies are so filed.

(2) The registrar shall certify under his seal of office the registration of the order and the memorandum as altered, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to the alteration and the confirmation of the resolution have been complied with, and thenceforward the memorandum so altered shall be the memorandum of the company.

(3) Every company which makes default in filing with the registrar any document required by this section to be filed with him is guilty of an offence.

R.S.S. 1940, c.113, s.51; R.S.S. 1953, c.124, s.52.

#### **Adoption or exclusion of ancillary powers**

**53(1)** A company may by special resolution alter its memorandum of association so as to include or exclude any or all of the powers authorized by section 30.

(2) A resolution under this section shall not take effect until a copy has been filed with the registrar, who shall thereupon issue under his seal of office a certificate showing the alteration effected by the resolution.

R.S.S. 1940, c.113, s.52; R.S.S. 1953, c.124, s.53.

## Capital and Shares

### INCREASE, CANCELLATION, CONSOLIDATION AND SUBDIVISION

#### Increase of capital or number of shares

**54(1)** A company may:

- (a) where its authorized capital, or part of its authorized capital, is divided into shares with nominal or par value, increase that capital by such amount divided into shares of such nominal or par value as the company may determine;
  - (b) where the memorandum authorizes the issue of a certain number of shares without nominal or par value, increase the number of such shares;
  - (c) where the memorandum does not authorize the issue of shares without nominal or par value, authorize, subject to subsection (2) of section 13, the issue of a specified number of such shares, and the memorandum shall be further altered so as to include the statement required by subsection (1) of section 16, and may be further altered so as to include the statement authorized by subsection (2) of section 16;
  - (d) where the memorandum does not provide for any authorized capital divided into shares with nominal or par value, alter the memorandum so as to provide for such amount of authorized capital divided into shares of such nominal or par value as the company may, subject to subsection (3) of section 13, determine.
- (2) The powers conferred by this section shall be exercised by ordinary resolution or by special resolution, according as the articles provide.
- (3) A resolution under this section shall not take effect until a copy has been filed with the registrar and the proper fees paid to him; and when the resolution has been so filed and the fees paid, the registrar shall issue under his seal of office a certificate showing the effect of the resolution.
- (4) Subsection (3) of section 13 applies to an existing company which increases its authorized capital under clause (a) of subsection (1) whose shares are not of a less nominal or par value than the amounts prescribed by said subsection (3), as the case may be, and applies also to an existing company which alters its memorandum under clause (d) of subsection (1).

R.S.S. 1940, c.113, s.53; R.S.S. 1953, c.124, s.54.

#### Increase of maximum price for shares without nominal or par value

- 55(1)** A company having shares without nominal or par value may by ordinary resolution or, if the memorandum or articles so provide, by resolution of the directors, at any time alter the memorandum or articles, as the case may be, so as to increase the maximum price or consideration fixed in accordance with subsection (2) of section 16 at or for which such shares may be sold.
- (2) Subsection (3) of section 54 applies to an increase of maximum price or consideration under this section.

R.S.S. 1940, c.113, s.54; R.S.S. 1953, c.124, s.55.

#### Cancellation of shares and diminution of capital

**56(1)** A company may:

(a) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person; and, if the shares have nominal or par value, diminish the amount of its authorized capital by the amount of the shares so cancelled, and, if the shares are without nominal or par value, diminish the number of such shares which the company is authorized to issue;

(b) cancel fully paid shares which are surrendered to the company by way of gift; and, if the resolution so provides, in a case where the shares have nominal or par value, diminish the amount of its authorized capital by the amount of the shares so cancelled, or, in a case where the shares are without nominal or par value, diminish the number of such shares which the company is authorized to issue and the amount of its capital under section 16.

(2) The powers conferred by this section shall, if the articles so provide, be exercised by ordinary resolution, and in the absence of such provision shall be exercised by special resolution.

(3) A resolution under this section shall not take effect until a copy has been filed with the registrar; and, when the resolution has been so filed, the registrar shall issue under his seal of office a certificate showing the effect of the resolution.

(4) Sections 62 to 67 do not apply to a cancellation of shares under this section.

R.S.S. 1940, c.113, s.55; R.S.S. 1953, c.124, s.56.

#### **Consolidation of capital or shares**

**57(1)** A company may by special resolution:

(a) consolidate all or any of its capital which is divided into shares with nominal or par value and divide such capital into shares of larger amount than the existing shares;

(b) consolidate all shares without nominal or par value so that the number of such shares authorized is reduced.

(2) Subsection (3) of section 56 applies to a consolidation of capital or shares under this section.

R.S.S. 1940, c.113, s.56; R.S.S. 1953, c.124, s.57.

#### **Subdivision of shares**

**58(1)** Subject to subsection (3) of section 13, a company may by special resolution:

(a) subdivide all or any of its shares with nominal or par value into shares of a smaller amount than such shares;

(b) subdivide all shares without nominal or par value so that the number of such shares authorized is increased;

so, however, that after the subdivision the proportion between the amount paid and the amount, if any, unpaid on each share of such smaller amount shall be the same as it was in the case of the share from which such share is derived.

(2) Subsection (3) of section 56 applies to a subdivision of shares under this section.

R.S.S. 1940, c.113, s.57; R.S.S. 1953, c.124, s.58.

## VARIATION OF SHAREHOLDERS' RIGHTS

### Variation under power in memorandum or articles of special rights

**59(1)** Where a company has heretofore issued or hereafter issues any shares with special rights attached thereto, and the memorandum or articles make provision for the variation of such special rights, subject to the consent of any specified proportion of the holders of such shares or the sanction of a resolution passed at a separate meeting of the holders of such shares, and pursuant to that provision such special rights are at any time varied, the holders of not less in the aggregate than fifteen per cent of such shares, being persons who did not consent to or vote in favour of the variation, may apply to the court to have the resolution disallowed, and where an application is made the resolution shall not have effect unless and until it is confirmed by the court wholly or in part.

(2) An application under this section shall be made within fourteen days after the date on which the consent was given or the resolution passed, as the case may be, and may be made on behalf of the holders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On such application the court, after hearing the applicant and any other persons who apply to the court to be heard and appear to the court to be interested in the application, may, wholly or in part, either disallow or confirm the variation.

(4) The provisions of the articles relating to general meetings of the company apply *mutatis mutandis* to a separate meeting under subsection (1), but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the shares affected.

(5) A special resolution under this section shall not take effect until a copy has been filed with the registrar, and, where an application is made to the court, the court has made an order confirming the resolution in whole or part. The resolution shall be so filed within fifteen days from the passing thereof, and an office copy of the order of the court, if any, within fifteen days from the date of the order or within such further time as the court may allow; and when the resolution and order, if any, have been filed the registrar shall issue under his seal of office a certificate showing the effect of the resolution.

(6) In this section “variation” includes “abrogation” and “varied” shall be construed accordingly.

(7) This section does not apply to an arrangement or scheme under section 185.

R.S.S. 1940, c.113, s.58; R.S.S. 1953, c.124, s.59.

### Variation in other cases of special rights and restrictions

**60(1)** Where a company has heretofore issued or hereafter issues any shares with special rights or restrictions attached thereto, and no such provision as is mentioned in section 59 is made by the memorandum or articles authorizing the variation of such special rights, the company by special resolution may vary such special rights or restrictions, and may enter into an arrangement with its members or any class of them with respect to any shares or class of shares held by them:

Provided that no special right attached to any class of shares shall be interfered with unless a resolution agreeing to the variation or arrangement is passed at a separate meeting by, or a consent in writing to the variation or arrangement is signed by, members holding not less in the aggregate than three-fourths of the shares of that class and the special resolution is confirmed by the court wholly or in part.

(2) Subsections (4), (i5), (6) and (7) of section 59 apply to a variation of special rights or restrictions under this section.

R.S.S. 1940, c.113, s.59; R.S.S. 1953, c.124, s.61.

## REDEMPTION OF PREFERENCE SHARES

### Power to issue redeemable preference shares

**61(1)** Subject to the provisions of this section, a company may, if so authorized by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed:

Provided that:

- (a) no such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
  - (b) no such shares shall be redeemed unless they are fully paid;
  - (c) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called “the capital redemption reserve fund”, a sum equal to the amount applied in redeeming the shares, and the provisions of this Act relating to the reduction of the share capital of a company apply, except as provided in this section, as if the capital redemption reserve fund were paid up share capital of the company;
  - (d) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption, must have been provided for out of the profits of the company before the shares are redeemed.
- (2) There shall be included in every balance sheet of a company which has issued redeemable preference shares a statement specifying what part of the issued capital of the company consists of such shares, and the date on or before which those shares are, or are to be, liable to be redeemed.
- (3) If a company fails to comply with the provisions of subsection (2), the company, and every officer of the company who is in default, is guilty of an offence and liable on summary conviction to a fine not exceeding \$500.
- (4) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.
- (5) Where pursuant to this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purposes of any enactment relating to fees be deemed to be increased by the issue of shares pursuant to this subsection:

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to the payment of fees, be deemed to have been issued pursuant to this subsection unless the old shares are redeemed within one month after the issue of the new shares.

(6) Where new shares have been issued pursuant to subsection (5), the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, up to an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares:

Provided that nothing contained in this section shall in any way interfere with the discretion of the court to sanction any scheme for reduction of capital under section 62, whether such scheme does or does not involve the cancellation, payment or redemption of preference shares.

R.S.S. 1940, c.113, s.60; R.S.S. 1953, c.124, s.61.

## REDUCTION OF CAPITAL

### Reduction of capital with sanction of court

**62(1)** A company may by special resolution confirmed by the court alter its memorandum so as to reduce its capital in any way, and in particular, without prejudice to the generality of the foregoing power, may:

- (a) extinguish or reduce the liability on any of its shares in respect of capital not paid up; or
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up capital which is lost or unrepresented by available assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up capital which is in excess of the wants of the company.

(2) The court, if satisfied, with respect to every creditor of the company who under section 65 is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has determined, or has been secured, may make an order confirming the resolution either wholly or in part and on such terms and conditions as it thinks fit.

R.S.S. 1940, c.113, s.61; R.S.S. 1953, c.124, s.62.

### Filing of resolution and of order of court, if any

**63(1)** A resolution under section 62 shall be filed with the registrar within fifteen days after the passing thereof, and where an order is made by the court the company shall file with the registrar, within fifteen days from the date of the order or within such further time as the court may allow, an office copy thereof and of a minute, approved by the court, showing, as altered by the order:

- (a) the amount of the capital;
- (b) the number of shares in the company;
- (c) the nominal amount or par value, if any, of each share; and
- (d) the amount, if any, at the date of the registration deemed to be paid up on each share;

and the resolution as confirmed by the order shall not take effect until the copies have been so filed.



(2) The registrar shall certify under his seal of office the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to the reduction have been complied with, and that the capital of the company and the number of shares in the company are as stated in the minute.

R.S.S. 1940, c.113, s.62; R.S.S. 1953, c.124, s.63.

**Special directions by the court**

64 Where the court makes an order, it may, if for any by the court special reason it thinks proper to do so, direct that the company shall, during such period, commencing on or at any time after the date of the order, as is specified in the order, add to its name as the last words thereof the words “and reduced”, and those words shall, until the expiration of the period specified, be deemed to be part of the name of the company, and with a view to giving proper information to the public, the court may direct the company to publish the causes which led to and the reasons for the reduction, and notice of the registration with the registrar, and such other information as the court may think expedient.

R.S.S. 1940, c.113, s.63; R.S.S. 1953, c.124, s.64.

**Objections by creditors**

65 Where the proposed reduction of capital involves either diminution of liability in respect of unpaid capital or the payment to any member of any paid up capital, and in any other case if the court so directs, every creditor of the company who at the date fixed by the court is entitled to any debt or claim which, if that date were the commencement of the winding up of the company, would be admissible in proof against the company shall be entitled to object to the reduction:

Provided that the court may, if having regard to any special circumstances of the case it thinks proper to do so, direct that any class or classes of creditors shall not be entitled to object to the reduction and may dispense with the consent of such class or classes.

R.S.S. 1940, c.113, s.64; R.S.S. 1953, c.124, s.65.

**Settlement of list of creditors entitled to object**

66 The court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

R.S.S. 1940, c.113, s.65; R.S.S. 1953, c.124, s.66.

**Non-consenting creditor**

67(1) Where a creditor entered on the list whose debt or claim is not discharged or determined does not consent to the reduction, the court may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the court may direct, the following amount, that is to say:

- (a) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;



(b) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the court after such inquiry and adjudication as the court thinks proper.

(2) Every company which and every officer of a company who wilfully conceals the name of any creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor, is guilty of an offence.

R.S.S. 1940, c.113, s.66; R.S.S. 1953, c.124, s.67.

## CONVERSION OF COMPANIES

### Conversion of limited into specially limited company

**68** Subject to any express provision to the contrary contained in the memorandum, a company established for the principal object of mining may by special resolution convert itself into a specially limited company, and for that purpose shall alter its memorandum and articles so that the conditions and provisions thereof shall comply with the requirements of this Act for a specially limited company.

R.S.S. 1940, c.113, s.67; R.S.S. 1953, c.124, s.68.

### Conversion of specially limited into limited company

**69** Subject to any express provision to the contrary contained in the memorandum, a specially limited company may by special resolution convert itself into a company having a memorandum according to form A, and for that purpose shall alter its memorandum and articles so that the conditions and provisions thereof shall comply with the requirements of this Act for such company, and may by the same resolution alter its memorandum with respect to the objects of the company so far as may be required for mining, but section 52 shall not apply.

R.S.S. 1940, c.113, s.68; R.S.S. 1953, c.124, s.69.

### Procedure in foregoing cases and registrar's certificate

**70** Where a company exercises the powers conferred by section 68 or 69:

- (a) the company shall file with the registrar a copy of the special resolution, together with a copy of its memorandum as altered, and shall surrender to the registrar its certificate of incorporation, which the registrar shall cancel;
- (b) the registrar shall issue under his seal of office a new certificate showing in what respects the constitution of the company is altered, and thereupon the conversion of the company shall take effect according to the tenor of the resolution;
- (c) the registrar shall publish in the *Gazette* a statement of the conversion of the company.

R.S.S. 1940, c.113, s.69; R.S.S. 1953, c.124, s.70.

**Conversion of public into private company**

**71** Subject to any express provision to the contrary contained in the memorandum, a public company may by special resolution convert itself into a private company, and for that purpose shall alter its memorandum and articles so as to include therein specifically the provisions necessary to constitute it a private company, and to exclude therefrom specifically any provisions inconsistent therewith, and upon the filing of the resolution the registrar shall issue under his seal of office a certificate showing that the company is converted into a private company.

R.S.S. 1940, c.113, s.70; R.S.S. 1953, c.124, s.71.

**Conversion of private into public company**

**72(1)** Subject to any express provision to the contrary contained in the memorandum, a private company may by special resolution convert itself into a public company, and for that purpose shall alter its memorandum and articles so as to exclude therefrom such provisions as are inconsistent with the constitution of a public company.

(2) The resolution shall be forthwith filed with the registrar, but shall not take effect until he issues under his seal of office a certificate that the company is converted into a public company.

(3) The registrar shall not issue the certificate unless the company:

(a) proves by the statutory declaration of a director that it has carried on active business for not less than one year; or

(b) proves by the statutory declaration of a director that the conversion is necessary solely in order that the issued shares may be held by more than fifty members and that no offer of further shares to the public is intended; or

(c) files with the registrar a statement in lieu of prospectus (form C) or a prospectus complying with this Act, subject in either case to such changes as the registrar may approve, and, where a statement in lieu of prospectus is filed, subsection (2) of section 35 applies.

(4) Upon compliance with the requirements of this section, the registrar may issue under his seal of office a certificate showing that the company is converted into a public company, but sections 35 to 44 do not, except as aforesaid, apply to the company.

R.S.S. 1940, c.113, s.71; R.S.S. 1953, c.124, s.72.

**No conversion of company in default**

**73** Conversion of a company under this Part shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of the company before the conversion, and any legal proceedings in respect thereof may be continued or commenced against it in the same manner as if the conversion had not taken place.

R.S.S. 1940, c.113, s.72; R.S.S. 1953, c.124, s.73.

**No conversion of company in default**

**74** Where a company has failed to send or file a return, report, resolution, notice or document required to be filed with or sent to the registrar, the registrar may, until his lawful requirements have been fulfilled, refuse to issue any certificate which he is required or authorized to issue under sections 48, 52, 54, 56 to 60, 63 and 68 to 72, and those sections shall be read subject to this provision.

R.S.S. 1940, c.113, s.73; R.S.S. 1953, c.124, s.74.

## PART III

## Membership and Share Certificates

## MEMBERSHIP

**Members entitled to copies of memorandum, articles, etc.**

**75(1)** Every company shall send to a member, at his request, a copy of the memorandum and of the articles, if any, on payment of one dollar or such less sum as the company may prescribe, where the memorandum and articles are printed, and, for a written or typewritten copy, ten cents for every hundred words required to be copied, and on payment of fifty cents or such less sum as the company may prescribe, a copy of any special, extraordinary or ordinary resolution passed by the company.

(2) A company which makes default in complying with any of the requirements of this section is guilty of an offence.

R.S.S. 1940, c.113, s.74; R.S.S. 1953, c.124, s.75.

**Register of members**

**76(1)** Every company shall keep in one or more books at its registered office, a register of its members, and shall enter therein the names of the subscribers to the memorandum and the name of every other person who agrees to become a member of the company, together with the following particulars:

- (a) the full name, address and occupation of every such subscriber and person, and of every person to whom section 91 or 92 applies, and who requests the company to enter his name in a representative capacity;
- (b) the date at which each person was entered in the register as a member;
- (c) the date at which any person ceased to be a member;
- (d) the kind and class of the shares held by each member, their nominal amount or par value, if any, and the amount paid or agreed to be considered as paid on each share;
- (e) particulars of the transfer by any member of his shares;
- (f) in the case of a person to whom section 91 or 92 applies, a description of the capacity in which such person represents any share in the company so held by him, and the name of the estate or person so represented.

(2) A company which fails to comply with this section is guilty of an offence.

(3) The register of members shall be *prima facie* evidence of any matters by this Act directed or authorized to be inserted therein.

R.S.S. 1940, c.113, s.75; R.S.S. 1953, c.124, s.76.

**Entry of name of transferee at request of transferor of share**

**77** On the application of the transferor of any share in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.

R.S.S. 1940, c.113, s.76; R.S.S. 1953, c.124, s.77.

**Rectification of register by court**

**78(1)** If:

- (a) the name of any person is, without sufficient cause, entered in or omitted from the register of members of a company; or
- (b) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member;

the person aggrieved or any member of the company, or the company may apply to the court for rectification of the register.

(2) The court may either refuse the application, or may order rectification of the register, and payment by the company of any damage sustained by any party aggrieved.

(3) On any application under this section the court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members, or between members or alleged members on the one hand and the company on the other hand; and generally may decide any question necessary or expedient to be decided for rectification of the register.

(4) The court, when making an order for rectification of the register, shall by its order direct notice of the rectification to be given to the registrar.

R.S.S. 1940, c.113, s.77; R.S.S. 1953, c.124, s.78.

**Inspection and copies of register**

**79(1)** The register of members shall during business hours, subject to such reasonable restrictions as the company may by ordinary resolution impose, so that not less than two hours in each day are allowed for inspection, and except when closed in pursuance of section 81 be open to the inspection of any member gratis.

(2) A member may require a copy of the register, or of any part thereof, on payment of twenty-five cents, or such less sum as the company may prescribe, for every hundred words or fractional part thereof required to be copied, and the company shall cause any copy so required by such member to be furnished to him within a period of ten days commencing on the day next after the day on which the requirement is received by the company.

(3) A company which refuses any inspection or copy required under this section is guilty of an offence, and the court may by order compel an immediate inspection of the register or direct that the copy required shall be furnished to the person requiring it within such time as the court fixes.

(4) For the purposes of this section, the register of members shall be deemed to include an index of members kept in compliance with section 80.

R.S.S. 1940, c.113, s.78; R.S.S. 1953, c.124, s.79.

**Index of members**

**80(1)** Every company having more than one hundred members shall, unless the register of members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company, and shall, within fourteen days after the date on which any alteration is made in the register of the members, make any necessary alteration in the index.

(2) The index, which may be in the form of a card index shall in respect of each member contain a sufficient indication to enable all particulars with respect to that member in the register to be readily found.

(3) A company which fails to comply with this section is guilty of an offence.

R.S.S. 1940, c.113, s.79; R.S.S. 1953, c.124, s.80.

**Power to close register**

**81** A company may, on giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situated, close the register of members for any time or times not exceeding in the whole thirty days in each year.

R.S.S. 1940, c.113, s.80; R.S.S. 1953, c.124, s.81.

**Trusts not to be entered on register**

**82(1)** Subject to section 91, no notice of any trust, express, implied or constructive, shall be entered on the register or be receivable by the registrar.

(2) The company shall not be bound to see to the execution of any trust, express, implied or constructive, and the receipt of any person whose name is entered in the register shall be a valid discharge to the company for any dividend or sum payable in respect of any share or other interest held by such person.

R.S.S. 1940, c.113, s.81; R.S.S. 1953, c.124, s.8.

**Power to keep branch register outside the province**

**83(1)** A company may, if so authorized by its articles, cause to be kept in any province, state or country a branch register of members resident outside Saskatchewan.

(2) The company shall give to the registrar notice of the situation of the office where the register is kept, and of any change in its situation, and, if it is discontinued, of its discontinuance, and such notice shall be given within fourteen days of the change or discontinuance, as the case may be.

(3) The register shall:

(a) be deemed to be part of the company's register of members, hereinafter in this section referred to as the "principal register"; and

(b) be kept in the same manner as the principal register is by this Act required to be kept, except that the advertisement before closing the register shall be inserted in some newspaper circulating in the district wherein the register is kept.

(4) A copy of every entry in the register shall, as soon as possible after the entry is made, be transferred to the place where the principal register is kept pursuant to section 76, and the same shall from time to time be duly entered up in the principal register or a duplicate of the register, and a duplicate shall for all the purposes of this Act be deemed to be part of the principal register.

(5) The company may discontinue keeping any such register, and thereupon all entries in that register shall be transferred to some other register kept by the company in the same province, state or country, or to the principal register.

(6) Subject to the provisions of this Act, a company may by its articles make such provisions as it may think fit respecting the keeping of a register outside the province.

(7) A company which makes default in complying with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.82; R.S.S. 1953, c.124, s.83.

## SHARE CERTIFICATES

### Right to certificate of shares

**84(1)** Every member of a company shall be entitled without payment to a certificate of the shares held by him under the common seal of the company.

(2) A member of a company may require the company to issue to him two or more certificates of any shares held by him so that each new certificate shall specify the number of shares which the member directs, and in such case the member shall surrender to the company the certificate in lieu of which the new certificates are to be issued, and the company may charge for each new certificate such sum, if any, not exceeding fifty cents, as the articles prescribe, or, in the absence of any provision in the articles, the company or the directors prescribe.

(3) Where shares are jointly held by two or more persons, the company shall not be bound to issue more than one certificate:

Provided that the joint holders shall be entitled to exercise jointly the right conferred by subsection (2).

(4) Where any new certificates are required pursuant to subsection (2), section 87 shall apply as if the new certificates were the certificates to be delivered after the allotment of the shares.

R.S.S. 1940, c.113, s.83; R.S.S. 1953, c.124, s.84.

### Contents of certificate

**85(1)** Subject to subsection (2), every certificate of shares in a company shall:

- (a) bear upon its face the words "Incorporated in the Province of Saskatchewan";
- (b) state the nominal or par value, if any, of the shares, and, if partly paid, the amount paid up thereon, or that the shares are fully paid, as the case may be; and, if the shares in the company are of different classes, the class of shares;
- (c) in the case of preference shares issued by a public company, state thereon in legible characters the special rights and the restrictions, if any, attached thereto;
- (d) in the case of a specially limited company, bear upon the face thereof in conspicuous characters, after the name of the company, the words "a specially limited company", and if the shares are not fully paid the word "assessable", or if fully paid the word "nonassessable", as the case may be.

(2) It shall not be necessary for an existing company to comply with subsection (1).

(3) A company which fails to comply with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.84; R.S.S. 1953, c.124, s.85.

**Issue of certificates with facsimile**

**86** Where a company keeps its register of members at the office of a trust company, or keeps a branch register of members at the office of a corporation duly authorized to act as agent of any other corporation for the purpose of issuing, counter-signing, registering or certifying the shares, debentures, or other securities of such other corporation or the certificates for or other documents of title to any such securities, the company may, if authorized by its articles, provide that, instead of certificates of its shares being actually signed by an officer of the company, a facsimile of the signature of any person who is by the regulations of the company authorized to sign certificates of its shares may be printed, engraved, or otherwise reproduced thereon, but no such certificate shall be issued unless it is actually signed or countersigned by or on behalf of such trust company or corporation, as the case may be.

R.S.S. 1940, c.113, s.85; R.S.S. 1953, c.124, s.86.

See section 140 for definitions.

**Time for issue of certificate**

**87(1)** Unless the conditions of issue of the shares otherwise provide, but subject to section 40, every company shall, within three months after the allotment of any of its shares, and within three months after the date of lodgment of a transfer of any such shares, complete and have ready for delivery the certificates of all shares allotted or transferred.

(2) Where a company refuses to register a transfer of any shares, the company shall, within three months after the date on which the transfer was lodged with the company, send to the transferee notice of the refusal.

(3) Where a company, on which a notice has been served requiring the company to make good any default in complying with subsection (2), fails to make good the default within ten days after the service of the notice, or where a company fails to comply with any requirement of subsection (1), the court may, on the application of the person entitled to have the certificates delivered to him, make an order directing the company, or any officer of the company, to make good the default within such time as may be specified in the order, and such order may provide that all costs of and incidental to the application shall be borne by the company or by any officer of the company responsible for the default.

(4) A company which makes default in complying with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.86; R.S.S. 1953, c.124, s.87.

**Certificate as evidence of title**

**88** A certificate under the common seal of the company, specifying any shares held by any member, shall be *prima facie* evidence of the title of the member to the shares.

R.S.S. 1940, c.113, s.87; R.S.S. 1953, c.124, s.88.

**Lost or destroyed certificate**

**89** Where a certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one dollar, and on such terms, if any, as to evidence and indemnity as the articles require, or, in the absence of any provision therein, as the directors think fit.

R.S.S. 1940, c.113, s.88; R.S.S. 1953, c.124, s.89.



**Transfer by personal representative**

**90(1)** A transfer of the share or other interest of a deceased member in a company made by his personal representative shall, although the personal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

(2) The production to a company of any document which is by law sufficient evidence of probate of the will, or letters of administration of the estate, of a deceased person having been granted to some person shall be accepted by the company, notwithstanding anything in its articles, as sufficient evidence of the grant.

R.S.S. 1940, c.113, s.89; R.S.S. 1953, c.124, s.90.

**Executor, administrator, etc., not personally liable**

**91** No executor, administrator, guardian, committee, or trustee who is entered as a member and described in the register as representing in such capacity a named estate or person shall be personally liable in respect of the share or other interest which he so represents; but the estate or person so represented shall continue to be liable as if the testator or intestate, the minor, ward, lunatic, *cestui que trust* or other person were entered in the register as the member holding such share or other interest; and this provision shall have effect notwithstanding any neglect or omission on the part of the company to enter the proper description in the register.

R.S.S. 1940, c.113, s.90; R.S.S. 1953, c.124, s.91.

**Mortgagee of shares, etc., not personally liable**

**92** No mortgagee of any share or other interest in a company and no person holding such share or interest as collateral security, who is entered as a member and described in the register as representing in such capacity a named mortgagor or pledgor shall be personally liable in respect of such share or other interest; but the mortgagor or pledgor shall continue to be liable as if he were entered in the register as the member holding such share or other interest; and this provision shall have effect notwithstanding any neglect or omission on the part of the company to enter the proper description in the register.

R.S.S. 1940, c.113, s.91; R.S.S. 1953, c.124, s.92.

**Instrument of transfer**

**93** Notwithstanding anything in the memorandum or articles of a company, it shall not be lawful for the company to register a transfer of shares in the company, unless a proper instrument of transfer has been delivered to the company; but the company may register as a shareholder any person to whom the right to shares of the company has been transmitted by operation of law.

R.S.S. 1940, c.113, s.92; R.S.S. 1953, c.124, s.93.

**SHARE WARRANTS****Issue of share warrants**

**94** A public company having a share capital, if so authorized by its articles may, with respect to any fully paid up shares, issue under its common seal a warrant, in this Act called a "share warrant", stating that the bearer of the warrant is entitled to the shares therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the shares included in the warrant.

R.S.S. 1940, c.113, s.93; R.S.S. 1953, c.124, s.94.



**Effect**

**95(1)** A share warrant shall entitle the bearer thereof to the shares therein specified, and the shares may be transferred by delivery of the warrant.

(2) The bearer of a share warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share warrant in respect of the shares therein specified without the warrant being surrendered and cancelled.

(3) The bearer of a share warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Act, either to the full extent or for any purposes defined in the articles; except that he shall not be qualified, in respect of the shares specified in the warrant, to be a director or manager of the company, in cases where such a qualification is required by the articles.

R.S.S. 1940, c.113, s.94; R.S.S. 1953, c.124, s.95.

**Entries in register**

**96(1)** On the issue of a share warrant the company shall strike out of the register of members the name of the member then entered therein as holding the shares specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely:

- (a) the fact of the issue of the warrant;
- (b) a statement of the shares included in the warrant; and
- (c) the date of the issue of the warrant.

(2) Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Act to be entered in the register of members; and, on the surrender, the date of the surrender shall be entered, as if it were the date at which a person ceased to be a member.

R.S.S. 1940, c.113, s.95; R.S.S. 1953, c.124, s.96.

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## PART IV

### Management and Administration

#### OFFICE, NAME AND CONTRACTS

**Registered office to be kept and notice of situation filed**

**97(1)** Every company shall have a registered office in the province to which all communications and notices may be addressed.

(2) A notice (form F) of the situation of the registered office, shall be filed with the registrar, together with the memorandum.

(3) A notice (form G) of any change in the situation of a registered office, shall be filed with the registrar within fifteen days after the resolution authorizing the change is passed or after the change is otherwise authorized.

(4) A company which makes default in complying with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.96; R.S.S. 1953, c.124, s.97.

**Name of company to be displayed**

**98(1)** Every company shall:

- (a) paint or affix, and keep painted or affixed, its name on the outside of its registered office and every other office or place in which its business is carried on, in a conspicuous position, in letters easily legible;
- (b) have its name engraved in legible characters on its common seal;
- (c) have its name mentioned in legible characters in all notices, advertisements and other official publications of the company, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

(2) A company which makes default in complying with the requirements of this section is guilty of an offence.

R.S.S. 1940, c.113, s.97; R.S.S. 1953, c.124, s.98.

**Form of contracts**

**99(1)** Contracts on behalf of a company may be made as follows, that is to say:

- (a) any contract which, if made between private persons, would be by law required to be in writing, and, if made according to the law of the province or of the Dominion, to be under seal, may be made on behalf of the company in writing under the common seal of the company, and may in the same manner be varied or discharged;
- (b) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged;
- (c) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law, and shall bind the company and its successors and all other parties thereto, their heirs, executors or administrators, as the case may be.

(3) A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of a company if made, accepted or endorsed in the name of, or by or on behalf or on account of, the company by any person acting under its authority.

R.S.S. 1940, c.113, s.98; R.S.S. 1953, c.124, s.99.

## DIRECTORS

**Number of directors**

**100** Every public company shall have at least two directors.

R.S.S. 1940, c.113, s.99; R.S.S. 1953, c.124, s.100.

**One to reside in the province**

**101** At least one director of every company shall reside in the province.

R.S.S. 1940, c.113, s.100; R.S.S. 1953, c.124, s.101.

**List of directors to accompany application for incorporation**

**102(1)** With the application for incorporation of a company, the applicant shall deliver to the registrar a list of persons who have consented to be directors of the company; and, if the list contains the name of any person who has not so consented, the applicant is guilty of an offence and liable on summary conviction to a fine not exceeding \$250.

(2) This section does not apply to a company which does not issue any invitation to the public to subscribe for its shares or debentures, or to a prospectus issued by or on behalf of a company after the expiration of two years from the date at which the company is entitled to commence business.

R.S.S. 1940, c.113, s.101; R.S.S. 1953, c.124, s.102.

**Return as to number of directors**

**103(1)** Every company shall file with the registrar a copy of any determination, resolution or document fixing or changing the number of its directors within fifteen days after the determination, resolution or document, as the case may be, takes effect.

(2) A company which fails to comply with this section is guilty of an offence.

R.S.S. 1940, c.113, s.102; R.S.S. 1953, c.124, s.103.

**Requirements as to directors named in prospectus or statement in lieu of prospectus**

**104(1)** A person shall not be named as a director, provisional director or proposed director of a public company in a prospectus or statement in lieu of prospectus relating to the company, unless on or before the filing of the prospectus or statement in lieu of prospectus, as the case may be, with the registrar:

- (a) he is named as a director in the articles and has signed in the articles, in which case he shall be deemed to have consented to act as a director; or
- (b) he has signed the articles and the articles provide that the subscribers thereof shall be or shall be deemed to be the directors of the company, in which case he shall be deemed to have consented to act as a director; or
- (c) he has filed with the registrar a consent in writing to act as a director, provisional director or proposed director, signed by him in the presence of a witness; and
- (d) he has signed the memorandum for a number of shares not less than his qualification, if any; or

(e) he has filed with the registrar an undertaking, signed by him in the presence of a witness, to take from the company and pay for his qualification shares, if any, in which case he shall, as regards those shares, be in the same position as if he had signed the memorandum for that number of shares; or

(f) he has filed with the registrar proof that a number of shares, not less than his qualification, if any, are registered in his name.

(2) A company or person which or who names any person as a director, provisional director or proposed director in a prospectus or statement in lieu of prospectus without the consent of that person is guilty of an offence.

(3) This section applies whether the prospectus is issued by or on behalf of a company, or in relation to an intended company, or by or on behalf of any person who is or has been engaged or interested in the formation or promotion of a company, or prior to the date of the statutory meeting, in the organization of a company.

R.S.S. 1940, c.113, s.103; R.S.S. 1953, c.124, s.104.

**Duty of director to be qualified and vacation of office by unqualified director**

**105(1)** Without prejudice to the restrictions imposed by section 101 it shall be the duty of every director who is by the articles of a company required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) The office of director of a company shall be vacated if the director does not, within two months from the date of his appointment, or within such shorter time as may be fixed by the articles, obtain his qualification, if any, or if after the expiration of such period or shorter time he ceases at any time to hold his qualification; and a person vacating office under this section shall be incapable of being re-appointed director of the company until he has obtained his qualification.

(3) If after the expiration of the said period or shorter time any unqualified person acts as a director of the company, he is guilty of an offence.

R.S.S. 1940, c.113, s.104; R.S.S. 1953, c.124, s.105.

**Executors, etc., qualified to act as directors**

**106(1)** Any person holding shares, not in arrear in respect of any call, in trust as executor, administrator, guardian, trustee or committee of a testator, intestate, infant, *cestui que trust* or lunatic, may be elected a director, and where any such director ceases to hold shares in trust he shall thereupon cease to be a director, and when a corporation holds such shares in trust as aforesaid any officer or officers of such corporation may be elected as a director or directors and when such corporation ceases to hold such shares in trust any officer so elected shall thereupon cease to be a director.

(2) A director elected under subsection (1) shall not be personally liable under section 110 but the estate or other beneficial owner of the shares held in trust by such director, or by the corporation of which such director is an officer, shall be subject to all the liabilities imposed upon directors by the said section 110.

R.S.S. 1940, c.113, s.105; R.S.S. 1953, c.124, s.106.

**Validity of acts of directors**

**107** The acts of a director or manager shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification.

R.S.S. 1940, c.113, s.106; R.S.S. 1953, c.124, s.107.

**Removal of directors**

**108** A public company may, in the absence of any provision in the memorandum or articles, remove any director before the expiration of his period of office by special resolution passed at a general meeting at which members holding not less than three-fourths of such of the issued share as carry the right of voting for the election of directors are present in person or, where proxies are allowed, by proxy, and may by ordinary resolution appoint another person in his stead.

R.S.S. 1940, c.113, s.107; R.S.S. 1953, c.124, s.108.

**Disclosure by directors of interest in contracts**

**109(1)** Subject to the provisions hereinafter contained, it shall be the duty of any director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company to declare the nature of his interest at a meeting of the directors of the company.

(2) In the case of a proposed contract, the declaration shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration, or, if the director was not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he became so interested, and if the director becomes interested in a contract after it is made, the said declaration shall be made at the first meeting of the directors held after the director becomes so interested.

(3) For the purpose of this section, a general notice given to the directors of a company by any director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that company or firm, shall be sufficient.

(4) Any director who fails to comply with the provisions of this section is guilty of an offence.

(5) Nothing in this section shall be taken to prejudice the operation of any rule of law restricting directors of a company from having any interest in contracts with the company.

R.S.S. 1940, c.113, s.108; R.S.S. 1953, c.124, s.109.

**Directors liable for wages and workmen's compensation assessments**

**110(1)** The directors of a company shall be jointly and severally liable:

(a) to the clerks, labourers, servants and apprentices thereof for all debts not exceeding six months' wages due for services performed for the company while they are such directors;

(b) to the Workmen's Compensation Board for all assessments becoming due by the company to the board, under *The Workmen's Compensation (Accident Fund) Act*, while they are such directors;

but no director shall be liable for an action therefor unless either:

(c) within one year after the debt becomes due the company has made assignment, or a receiving order has been made against the company, or the company is in process of being wound up, or has been struck off the register; or

(d) the company is sued therefor, or a certificate has been filed under section 112 of *The Workmen's Compensation (Accident Fund) Act*, within one year after the debt becomes due, and execution against the company is returned unsatisfied in whole or in part.

(2) In cases under clause (d) of subsection (1), the amount unsatisfied on the execution shall be the amount recoverable with costs from the directors.

(3) No person who has ceased to be a director shall be so liable unless the action is commenced within one year from the time when he ceased to be a director.

R.S.S. 1910, c.113, s.109; R.S.S. 1953, c.124, s.110.

#### **Dividends, prohibited in certain cases**

**111** The directors shall not declare or pay any dividend when the company is insolvent, or any dividend the payment of which renders the company insolvent or diminishes its capital.

R.S.S. 1940, c.113, s.110; R.S.S. 1953, c.124, s.111.

#### **Provisions as to liability of directors, etc.**

**112(1)** A provision, whether contained in the articles of a company or in a contract with a company or otherwise, for exempting any director, manager or other officer of the company, from, or indemnifying him against, liability which by virtue of any rule of law would otherwise attach to him in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company, shall be void.

(2) If, in any proceeding against a director, manager or officer of a company for negligence, default, breach of duty or breach of trust, it appears to the court that the director, manager or officer is or may be liable in respect thereof but has acted honestly and reasonably, and ought fairly to be excused, the court shall take into consideration all the circumstances of the case, including those connected with his appointment, and may relieve him, either wholly or partly, from his liability on such terms as the court may think proper.

R.S.S. 1940, c.113, s.111; R.S.S. 1953, c.124, s.112.

#### **Register of directors**

**113(1)** Every company shall keep at its registered office a register of its directors, and enter therein the following particulars:

- (a) the full names and addresses and occupations, if any, of the directors;
- (b) the date on which each director was appointed;
- (c) the date on which each director ceased to hold office as director.

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(2) Every company shall file with the registrar a notice (form H) of the appointment of any director within fifteen days after his appointment, and shall also file with him a notice (form I) of any change among its directors within fifteen days after the change is made.

(3) A company which fails to comply with this section is guilty of an offence.

R.S.S. 1940, c.113, s.112; R.S.S. 1953, c.124, s.113.

**Register open to inspection**

**114(1)** The register of directors commencing from inspection the date of the registration of the company, shall during business hours, subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day are allowed for inspection, be open to the inspection of any member gratis, and to the inspection of any other person on payment of twenty-five cents, or such less sum as the company may prescribe, for each inspection.

(2) Any member or other person may require a copy of the register, or of any part thereof, on payment of twenty-five cents, or such less sum as the company may prescribe, for every hundred words or fractional part thereof required to be copied.

(3) A company which refuses any inspection or copy required under this section is guilty of an offence, and the court may order that an inspection be allowed or a copy furnished within such time as it deems fit.

R.S.S. 1940, c.113, s.113; R.S.S. 1953, c.124, s.114.

## PROSPECTUSES

**Filing of prospectuses**

**115(1)** Every prospectus shall state on its face that a copy has been filed with the registrar, and shall be dated, and such date shall, unless the contrary is proved, be taken as the date of issue of the prospectus.

(2) A copy of the prospectus as issued, signed at the end by every person who on the date of issue is a director or proposed director of the company, or by his agent authorized in writing, shall be filed with the registrar within seven days from that date.

(3) The registrar shall not file any prospectus unless this section is complied with.

(4) A person or company who or which makes default in complying with the requirements of this section is guilty of an offence:

Provided that any person or company liable for the default may apply to the court for relief, and the court, if satisfied that such default was accidental or due to inadvertance, or that on other grounds it is just and equitable to grant relief, may make an order authorizing the registrar to file the prospectus in respect of which there has been default.



(5) This section applies whether the prospectus is issued by or on behalf of a company, or in relation to an intended company, or by or on behalf of any person who is or has been engaged or interested in the formation or promotion of a company, or, prior to the date of the statutory meeting, in the organization of a company.

R.S.S. 1910, c.113, s.114; R.S.S. 1953, c.124, s.115.

**Requirements as to prospectus under s.114**

**116(1)** Every prospectus to which section 115 applies shall state:

- (a) the date of incorporation of the company, the address of its registered office, the extent of the liability of members, particulars of the capital authorized, subscribed and paid up respectively, and of the kinds and classes of shares in the company, and their nominal or par value, if any, and the amount, if any, of the indebtedness of the company;
- (b) particulars of the business which the company proposes to carry on by means of the proceeds of the subscription invited by the prospectus, and the place where the operations or business will be carried on; and, where the prospectus is issued more than one year after the date of incorporation of the company, general information as to the business which has been carried on by the company and as to its property and assets;
- (c) the number of shares or the amount of debentures offered by the prospectus, and the amount payable on the application for and the allotment of each share or debenture, and the amount or rate of any commission or discount to be allowed thereon;
- (d) the amount fixed as the minimum subscription under section 121 on which the directors may proceed to allotment, with an account showing how that amount is estimated or calculated;
- (e) the several amounts or estimated amounts paid or payable for preliminary expenses and for services rendered or to be rendered in relation to the formation or organization of the company, or as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares offered by the prospectus, or allowed or to be allowed as discount in respect of any debentures,

or, in the case of a specially limited company, any shares, offered by the prospectus;

- (f) particulars of any property purchased or acquired by the company, or proposed to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the subscription invited by the prospectus, or has been within the last two preceding years or is to be paid for by shares or debentures, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the title or interest therein acquired or to be acquired by the company;

(g) the full name, address and occupation of any vendor of property under clause (f) and in the case of a promoter the amount paid by him in cash, shares or debentures for the property within the last two preceding years, and the amount (specifying separately the amount, if any, for good-will) paid or payable in cash, shares or debentures to him for the property. Where there is more than one separate vendor, or the company is a subpurchaser, particulars as to each vendor shall be stated: Provided that where the vendors or any of them are a firm the members of the firm shall not be treated as separate vendors;

(h) where debentures are offered for subscription, particulars of the security which has been or will be created for those debentures, specifying the property, if any, comprised or to be comprised in the security and the nature of the title to the property;

(i) particulars of any services rendered or to be rendered to the company which are to be paid by the company wholly or partly out of the proceeds of the subscription invited by the prospectus, or have been within the last two preceding years or are to be paid for by shares or debentures;

(j) the amount, other than the amount mentioned in clause (g), paid within the last two preceding years or intended to be paid to any promoter, with his name and address, and the consideration for any such payment, and the amount in cash subscribed by him for shares or debentures of the company or otherwise contributed by him to the company;

(k) particulars showing:

(i) any special rights or restrictions attached to any shares offered by the prospectus;

(ii) the right of voting at meetings of the company;

(iii) the number of shares, if any, fixed by the articles as the qualification of a director;

(iv) any provision in the articles as to the remuneration of the directors or manager, if any, and the remuneration paid or payable to any director;

(l) the full names, addresses and occupations of the directors or proposed directors, and the amount in cash subscribed by each of them for shares and debentures of the company or otherwise contributed by each of them to the company;

(m) full particulars of the nature and extent of the interest, if any, of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; but this clause does not apply in the case of a prospectus issued more than two years after the date on which the company is entitled to commence business, except as to the particulars relating to property proposed to be acquired by the company;

(n) the names and addresses of the auditors, if any, of the company;

(o) in the case of a second or subsequent offer of shares or debentures, separate particulars of:

(i) the number or amount offered for subscription on each previous offer made within the last two preceding years, and the number or amount actually allotted, and the amount, if any, paid thereon;

(ii) the amount, if any, paid within the last two preceding years, or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of the company, or allowed or to be allowed as discount in respect of any debentures, or, in the case of a specially limited company, of any shares, and the rate or amount of any such commission or discount;

(p) where the prospectus is issued more than eighteen months after the date of the incorporation of the company, a copy of its last balance sheet;

(q) the dates of and parties to every material contract, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement does not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or to any contract entered into more than two years before the date of issue of the prospectus.

(2) The information required by subsection (1) to be stated in a prospectus shall be contained in a separate part of the prospectus, commencing with the words "Statutory Information" in conspicuous type, and no other matter shall be included in that part of the prospectus: Provided that the information required by clauses (b) and (c) of subsection (1) may be stated in any part of the prospectus.

**Prospectus before certificate issued**

(3) A prospectus issued by a company before it has obtained a certificate entitling it to commence business shall include in the "Statutory Information" one of the following statements, namely, either:

This company has not yet obtained a certificate entitling it to commence business, and is not authorized to allot any shares or debentures, unless the minimum subscription stated in the Statutory Information set forth in this prospectus is subscribed and a certificate entitling the company to commence business is subsequently issued to the company under *The Companies Act*. All money received by the company in respect of the minimum subscription will, in accordance with *The Companies Act*, be held in trust by the company to be repaid if the minimum subscription is not subscribed; or

The minimum subscription stated in the Statutory Information has been subscribed, but this company has not yet obtained a certificate entitling it to commence business, and is not yet authorized to allot any shares or debentures.

Provided that where the minimum subscription named in the prospectus proposed to be filed has been subscribed before the prospectus is filed, and the statutory declaration (form D) prescribed by section 38 is filed with the prospectus, and the registrar issues to the company a certificate entitling the company to commence business on the day on which the prospectus and declaration are filed with him, the prospectus may include in the Statutory Information the following statement, namely:

The minimum subscription stated in the Statutory Information has been subscribed and a certificate entitling the company to commence business was issued to the company by the Registrar of Joint Stock Companies on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

(The date of filing must be stated.)

(4) Where a certificate entitling the company to commence business has been issued, the prospectus shall include in the Statutory Information a statement of the date of the certificate.

**Vendors**

(5) For the purposes of this section every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where:

- (a) the purchase money is not fully paid at the date of issue of the prospectus; or
- (b) the purchase money is to be paid or satisfied wholly or in part out of the proceeds of the subscription invited by the prospectus; or
- (c) the contract depends for its validity of fulfilment on the result of that invitation.

(6) Where any of the property to be acquired by the company is to be taken on lease, this section applies as if “vendor” included the lessor and “purchase money” included the consideration for the lease and “subpurchaser” included a sublessee.

(7) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

**Non-compliance with requirements**

(8) In the event of non-compliance with or contravention of any requirement of this section, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance, if he proves that:

- (a) as regards any matter not disclosed, he was not cognizant thereof; or
- (b) the non-compliance or contravention arose from an honest mistake of fact on his part; or
- (c) the non-compliance or contravention was in respect of matters which in the opinion of the court dealing with the case were immaterial, or was otherwise such as ought, in the opinion of that court, having regard to all the circumstances of the case, reasonably to be excused:

Provided that, in the event of non-compliance with the requirements contained in clause (m) of subsection (1), no director or other person shall incur any liability in respect of the non-compliance unless it is proved that he had knowledge of the matters not disclosed.

(9) Subject to subsection (8), every company which or person who fails to comply with or contravenes any requirement of this section is guilty of an offence.

(10) Nothing in this section limits or diminishes any liability which any person may incur under the general law or this Act apart from this section.

**Information to be furnished**

**117(1)** The company shall furnish every person who is invited to subscribe for any shares or debentures offered by the prospectus with a copy of the prospectus at the time when the invitation is made.

(2) Where the prospectus contains particulars of any contract under which shares or debentures are to be allotted by the company as the consideration for property or for service or other consideration than cash, the contract or, where the contract is not reduced to writing, full and exact particulars of the contract shall be filed with the prospectus.

R.S.S. 1940, c.113, s.116; R.S.S. 1953, c.124, s.117.

**Liability for statements in prospectus**

**118(1)** Where a prospectus invites persons to subscribe for shares in or debentures of a company:

- (a) every person who is a director of the company at the time of the issue of the prospectus;
- (b) every person who is with his consent named in the prospectus as a director or as having agreed to become a director either immediately or after an interval of time;
- (c) every promoter of the company; and
- (d) every person who has authorized the issue of the prospectus;

is liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for the loss or damage they may have sustained by reason of any untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved:

- (e) with respect to every untrue statement not purporting to be made on the authority of an expert, or of a public official document or statement, that he had reasonable ground to believe, and did up to the time of the allotment of the shares or debentures, as the case may be, believe, that the statement was true; and
- (f) with respect to every untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy or extract from the report or valuation:

Provided that the director, person named as director, promoter or person who authorized the issue of the prospectus, shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it; and

- (g) with respect to every untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document;

or unless it is proved:

(h) that having consented to become a director of the company he withdrew his consent before the issue of the prospectus, and that it was issued without his authority or consent; or

(i) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue he forthwith gave reasonable public notice that it was issued without his knowledge or consent; or

(j) that after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal, and of the reason therefor.

(2) Every person to whom clause (h), (i) or (j) of subsection (1) applies shall file with the registrar a copy of any notice of withdrawal or public notice given by him, within seven days from the date of his notice and on failure to do so is guilty of an offence.

R.S.S. 1940, c.113, s.117; R.S.S. 1953, c.124, s.118.

#### Liability to person improperly named as director

**119** Where the prospectus contains the name of a person as a director of the company, or as having agreed to become a director thereof, and he has not consented to become a director or has withdrawn his consent before the issue of the prospectus and has not authorized or consented to the issue thereof, the directors of the company, except any without whose knowledge or consent the prospectus was issued, and any other person who authorized the issue thereof, shall be liable to indemnify the person named as aforesaid against all damages, costs and expenses to which he may be made liable by reason of his name having been inserted in the prospectus, or in defending himself against any action or legal proceedings brought against him in respect thereof.

R.S.S. 1940, c.113, s.118; R.S.S. 1953, c.124, s.119.

#### Contribution

**120(1)** Every person who, by reason of his being a director or of his being named as a director or of his having agreed to become a director, or of his having authorized the issue of the prospectus, becomes liable to make any payment under section 118 may recover contribution, as in cases of contract, from any other person who, if sued separately, would have been liable to make the same payment, unless the person who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(2) For the purposes of this and the preceding sections:

#### “promoter”

1 “**promoter**” means a promoter who was a party to the preparation of the prospectus, or of the portion thereof containing the untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company;

#### “expert”

2 “**expert**” includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

R.S.S. 1940, c.113, s.119; R.S.S. 1953, c.124, s.120.

## MINIMUM SUBSCRIPTION

### Minimum subscription

**121(1)** The minimum subscription required to be named in a prospectus:

- (a) shall be the minimum amount which in the opinion of the directors must be raised in order that the company may, with a reasonable prospect of success, conduct the business described in the prospectus; and
- (b) shall be reckoned exclusively of any amount payable to the company otherwise than in cash; and
- (c) shall only be expended for the operations or business set forth in the statement or prospectus, unless the company by ordinary resolution sanctions its expenditure for some other purpose.

(2) Unless the minimum subscription is subscribed before the issue of the prospectus, all money paid to and received by the company in respect of the minimum subscription shall be deposited as trust funds to its credit as trustee in a separate account in a branch or agency in the province of a bank, and the company shall hold and shall declare in its prospectus that it will hold all such moneys in trust to be repaid, if the minimum subscription is not subscribed, in accordance with this section.

(3) If any such money is not so deposited and held, the directors of the company shall be jointly and severally liable to repay the money with interest at the rate of six per cent per annum from the date when it was paid to the company by the subscriber:

Provided that a director shall not be liable if he proves that the failure so to deposit and hold the money was not due to any misconduct or negligence on his part.

R.S.S. 1940, c.113, s.120; R.S.S. 1953, c.124,  
s.121.

### Minimum subscription not subscribed within 90 days

**122(1)** Where the minimum subscription has not been subscribed at the expiration of ninety days after the issue of the prospectus, or any extension of time, not exceeding fifty days, which the registrar may grant, or, in the case of a company which is required to obtain a certificate entitling it to commence business, where the minimum subscription has been subscribed but section 38 is not complied with, all money paid to and received by the company in respect of the minimum subscription shall be forthwith repaid to the subscribers without any deduction, but without interest.

(2) If such money is not so repaid within ninety-eight days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of six per cent per annum from the expiration of the ninety-eighth day:

Provided that a director shall not be liable if he proves that the failure so to repay the money was not due to any misconduct or negligence on his part.

R.S.S. 1940, c.113, s.121; R.S.S. 1953, c.124,  
s.122.



## ISSUE AND ALLOTMENT OF SHARES AND DEBENTURES

### No allotment until minimum subscription received

**123** No allotment of any shares or debentures offered on by a prospectus issued by a company entitled to commence business or to carry on business as a public company shall be made, unless the minimum subscription so named in the prospectus has been subscribed and the minimum amount prescribed by section 131 has been paid to and received by the company in respect thereof.

R.S.S. 1940, c.113, s.122; R.S.S. 1953, c.124, s.123.

### Non-compliance by directors

**124** A director who fails to comply with or contravenes any requirement of sections 121 to 123 is, without prejudice to any other liability, guilty of an offence.

R.S.S. 1940, c.113, s.123; R.S.S. 1953, c.124, s.124.

### Restrictions on allotments of shares for consideration other than cash

**125** A public company which is required to obtain under section 35 or section 36 a certificate entitling it to commence business and a private company which is converted under section 72 into a public company shall not allot within a period of three months from the date of the certificate issued to the company under one of those sections, as the case may be, or such longer period as the registrar may for the purposes of this section fix, any shares as the consideration for property or services or other consideration than cash, unless:

- (a) particulars of the contract under which the shares are to be allotted are disclosed in the statement in lieu of prospectus or prospectus, as the case may be, filed pursuant to one of those sections; and
- (b) the contract or, where the contract is not reduced to writing, full and exact particulars of the contract are filed therewith; or
- (c) the company has filed with the registrar a supplementary statement in lieu of prospectus (form C) or a new prospectus in accordance with section 115 or 132, disclosing in either case particulars of the contract, and has filed therewith the contract or full and exact particulars of the contract.

R.S.S. 1940, c.113, s.124; R.S.S. 1953, c.124, s.125.

### Effect of irregular allotments

**126** An allotment made by a company:

- (a) to an applicant or allottee in contravention of section 35 or 36 shall be voidable at the instance of the applicant within two months after the holding of the statutory meeting of the company and not later;
- (b) in contravention of section 123 or 125 shall be void;
- (c) upon an application in contravention of section 130 shall be void;

and every such allotment as is mentioned in clauses (a) and (c) shall be voidable or void, as the case may be, notwithstanding that the company is in course of being wound up.

R.S.S. 1940, c.113, s.125; R.S.S. 1953, c.124, s.126.

**Liability of directors with respect to allotments**

**127** Every director of a company who knowingly contravenes or permits or authorizes the contravention of any provision of section 35, 36, 123 or 125 with respect to allotment, or who knowingly acts upon an application in contravention of section 130, shall be liable to compensate the company and the applicant or allottee respectively, as the case may be, for any loss, damages or costs which the company or the applicant or allottee may have sustained or incurred thereby:

Provided that:

- (a) a director shall not be liable if he proves that the contravention was not due to any misconduct or negligence on his part; and
- (b) proceedings to recover any such loss, damage or costs shall not be commenced after the expiration of two years from the issue of the share.

R.S.S. 1940, c.113, s.126; R.S.S. 1953, c.124, s.127.

**Returns of allotments**

**128(1)** Where a company makes any allotment of its shares, the company shall within one month thereafter file with the registrar:

- (a) a return of allotments, stating in respect of each share the date of allotment, nominal amount or par value, if any, or, in the case of a share without nominal or par value, the price at which the share is sold, and class of share, the full name, address and occupation of the allottee, the amount paid and the amount or rate, if any, of commission paid or agreed to be paid under section 145, or, in the case of a specialty limited company, of discount allowed or agreed to be allowed under section 147; and
- (b) in the case of shares allotted as fully or partly paid up otherwise than in cash, a return stating the number and nominal amount or par value, if any, of such shares, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted, together with any contract in writing constituting the title of the allottee to the allotment, and any contract of sale or for services or other consideration in respect of which that allotment was made, or, where such a contract is not reduced to writing, full and exact particulars of the contract, unless the contract or particulars thereof have already been filed with the registrar.

(2) Where the company agrees to accept payment, otherwise than in cash for shares subscribed for in the memorandum, or has allotted any shares payable in cash, and subsequently agrees by such a contract to accept payment otherwise than in cash, the contract or, if the contract is not reduced to writing, full and exact particulars thereof shall be filed with the registrar within one month from the date thereof.

(3) Every return of allotments shall be in form J and in the case of a contract not reduced to writing shall be accompanied by particulars according to form K.

(4) The registrar may, at his discretion and by order, exempt from the requirements of this section companies of a co-operative character and companies incorporated under section 10.

R.S.S. 1940, c.113, s.127; R.S.S. 1953, c.124, s.128.

**Default in making returns**

**129(1)** A company which makes default in complying with any of the requirements of section 128 is guilty of an offence:

Provided that:

(a) where the default in filing any document as required by section 128 does not exceed seven days, and appears to the registrar, from the explanation thereof made to him by or on behalf of the company, to be accidental or due to inadvertence, or is due to the fact that the document requires to be rectified, the registrar may file the document, and the company shall be deemed to have complied with the requirement that the document be filed within one month after allotment; and

(b) in any other case, the company, or any person liable for the default, may apply to the court for relief, and the court, if satisfied that the omission to file the document was accidental or due to inadvertence or that upon other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such period as the court may think proper.

(2) Where an order is made under this section, an office copy thereof shall be filed with the registrar at the same time as the document to which it relates.

R.S.S. 1940, c.113, s.128; R.S.S. 1953, c.124, s.129.

**Prohibition of issue of forms of application unless prospectus is issued**

**130(1)** It shall not be lawful to issue any form of application or subscription for shares in or debentures of a company offered to the public unless the form is issued with a prospectus filed under section 115 or 132:

Provided that this section does not apply if it is shown that the form of application was issued either:

(a) in connection with a *bona fide* invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

(b) in relation to the shares in or debentures of a company where there is no offer to the public; or

(c) to existing members or debenture holders of a company, whether an applicant for shares or debentures had or had not the right to renounce in favour of other persons.

(2) Every person who acts in contravention of this section is, without prejudice to any other liability, guilty of an offence.

R.S.S. 1940, c.113, s.129; R.S.S. 1953, c.124, s.130.

**Minimum amount payable on shares or debentures offered to the public**

**131** The amount payable on application on any share or debenture offered by a company to the public for subscription or purchase shall be not less than five per cent of the nominal amount of the share or debenture, or, in the case of a share without nominal or par value, of the maximum price or consideration at or for which the share may be issued:

Provided that:

(a) where the share is offered for subscription or purchase at a price which after deduction of the commission, if any, paid or to be paid to the subscriber or purchaser, or, in the case of a specially limited company, after allowance of discount, if any, is less than five per cent of the nominal amount of the share; or

(b) where a share without nominal or par value is offered for subscription or purchase at a price or for a consideration which after deduction of the commission, if any, paid or to be paid to the purchaser or subscriber is less than five per cent of the maximum price or consideration at or for which the share may be issued;

the share shall in either case be paid for in full on application.

R.S.S. 1940, c.113, s.130; R.S.S. 1953, c.124, s.131.

**Offers to the public by underwriters and others**

**132(1)** Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, and the whole consideration for such shares or debentures is not paid to the company at the date of the allotment or the offer for sale, whichever date is the earlier, any person who, by a prospectus issued by him with respect to all or any of those shares or debentures, makes an offer thereof to the public shall file with the registrar a copy of the prospectus, signed and dated by him, and such date shall, unless the contrary is proved, be taken as the date of issue of the prospectus.

(2) Every such prospectus shall state on its face that a copy has been filed with the registrar, and shall be so filed within seven days from the date of its issue.

(3) For the purposes of this section, it shall, unless the contrary is proved, be evidence that an allotment of, or an agreement to allot, shares or debentures was made with a view to the shares or debentures being offered for sale to the public if it is shown:

(a) that an offer of the shares or debentures, or of any of them, for sale to the public was made within six months after the allotment or agreement to allot; or

(b) that at the date when the offer was made the whole consideration to be received by the company in respect of the share or debentures had not been so received.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the prospectus is signed on behalf of the company or firm by an officer of the company or a partner of the firm, authorized in either case to sign the prospectus.

(5) A copy of the prospectus shall be furnished to every member of the public to whom the offer of any shares or debentures to which the prospectus relates is made at the time when the offer is made, and no subscription or application for any share so offered shall be taken unless the copy has been so furnished.

(6) Without prejudice to the liability, if any, of the person by whom the prospectus is issued in respect of misstatements contained in the prospectus or otherwise in respect thereof, any person accepting the offer made by the prospectus in respect of any shares or debentures shall, as against the company, have the same rights of rescission as if those shares or debentures had been offered to the public for subscription by the company, and as if such person were a subscriber for those shares or debentures; and sections 118 and 119, so far as they apply to a person who has authorized the issue of a prospectus, extend to a prospectus within the meaning of this section.

R.S.S. 1940, c.113, s.131; R.S.S. 1953, c.124, s.133.

#### **Principal and underwriter**

**133(1)** Where a person, hereinafter called the “principal underwriter”, to whom the company makes an allotment or agrees to make an allotment of shares or debentures within the meaning of section 132 sells or agrees to sell to any other person, hereinafter called a “sub-underwriter”, all or any of those shares or debentures, and the sub-underwriter offers all or any part of those shares or debentures to the public by a prospectus prepared or issued by the principal underwriter, the principal underwriter shall be primarily liable in respect of misstatements contained in the prospectus to any person accepting the offer made by the prospectus.

(2) Sections 115 to 117 and 135 do not apply to a prospectus under this section or section 132, and “prospectus” in those sections does not include a notice, circular, advertisement or other document which contains no statement, either of fact or opinion, relating to any property acquired or proposed to be acquired by, or to any business carried on or proposed to be carried on by, the company whose shares or debentures are offered for sale to the public within the meaning of this section.

(3) A person who fails to comply with or contravenes any requirement of this section or section 132 is guilty of an offence.

R.S.S. 1940, c.113, s.132; R.S.S. 1953, c.124, s.133.

#### **House to house offers**

**134(1)** No person shall go from house to house offering shares in or debentures of a company for subscription or purchase to the public or any member of the public, unless a prospectus has been issued with respect to the shares or debentures so offered and filed in accordance with sections 115 to 117.

(2) A copy of the prospectus shall be delivered to every member of the public to whom any such offer is made at the time when the offer is made at any house, and no subscription or application for any share so offered shall be taken unless the copy has been so delivered.

(3) A company which or person who fails to comply with or contravenes any requirements of this section is guilty of an offence.

(4) In this section “house” does not include an office used for business purposes.

R.S.S. 1940, c.113, s.133; R.S.S. 1953, c.124, s.134.

**Restrictions on publication of matter relating to shares or debentures**

**135(1)** It shall not be lawful for a company, or for any person on its behalf, to publish or circulate any matter which expressly or by implication invites the public to sub debentures scribe for or purchase shares in or debentures of the company, but does not comply with the requirements of this Act as to prospectuses, unless a prospectus has been issued with respect to such shares or debentures and filed in accordance with sections 115 to 117, and unless the matter published or circulated states that a prospectus has been so issued and filed and that a copy of the prospectus will be furnished to every person who subscribes or applies for such shares or debentures.

(2) A company which or person who fails to comply with or contravenes any requirement of this section is guilty of an offence.

R.S.S. 1910, c.113, s.134; R.S.S. 1953, c.124,  
s.135.

**SPECIAL PROVISIONS AS TO DEBENTURES****Issues of debentures**

**136** A company shall file with the registrar, within one month after any issue of debentures is made by the company, a statement setting forth the date and amount thereof and the amount or rate per cent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or for procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures, but an omission to do this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

R.S.S. 1940, c.113, s.135; R.S.S. 1953, c.124,  
s.136.

**Enforcement of contract**

**137** A contract with a company to take up and pay for any debentures of the company may be enforced by an order for specific performance.

R.S.S. 1940, c.113, s.136; R.S.S. 1953, c.124,  
s.137.

**Power to issue redeemed debentures**

**138(1)** Where, either before or after the commencement of this Act, a company has redeemed debentures previously issued, then:

- (a) unless provision to the contrary, whether express or implied, is contained in the articles or in a contract entered into by the company; or
- (b) unless the company has, by passing a resolution to that effect or by some other act, manifested its intention that the debentures shall be cancelled;

the company shall have, and shall be deemed always to have had, power to reissue the debentures, either by reissuing the same debentures or by issuing other debentures in their place, and on such a reissue the person entitled to the debentures shall have, and shall be deemed always to have had, the same priorities as if the debentures had never been redeemed.

(2) Where a company has power to reissue debentures which have been redeemed, particulars with respect to the debentures which can be so reissued shall be included in the balance sheet of the company.

(3) Where a company has deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remain so deposited.

(4) The reissue of a debenture or the issue of another debenture in its place under the power by this section given to or deemed to have been possessed by a company shall not be treated as the issue of a new debenture for the purposes of any provision limiting the amount or number of debentures to be issued.

R.S.S. 1940, c.113, s.137; R.S.S. 1953, c.124, s.138.

#### **Validity of perpetual debentures**

**139** A condition contained in debentures or in a deed debentures for securing debentures shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period, however long, any rule of equity to the contrary notwithstanding.

R.S.S. 1940, c.113, s.138; R.S.S. 1953, c.124, s.139.

#### **Certain expressions defined**

**140** In sections 83 and 86 “register of members” and “register” include a register of holders of the registered debentures of a company, and in section 86 “certificate of shares” and “certificate” include a registered debenture of a company, and in section 93 “shares” and “shareholder” respectively include registered debentures and the holder of a registered debenture.

R.S.S. 1940, c.113, s.139; R.S.S. 1953, c.124, s.140.

## **SPECIAL PROVISIONS AS TO SHARES**

#### **Issue of fractional shares**

**141** No company shall issue fractional shares, except for the purposes of sections 57, 58, 62 and 185, or where a company makes a fresh issue of shares which are offered to and taken by existing members of the company in proportion to the number of shares already held by them respectively.

R.S.S. 1940, c.113, s.110; R.S.S. 1953, c.124, s.141.



**Purchase of fractional shares**

**142** A company may purchase fractional shares issued pursuant to section 141, but shall consolidate such shares into whole shares, and shall sell the whole shares within two years after the purchase of the fractional shares of which it is a consolidation.

R.S.S. 1940, c.113, s.141; R.S.S. 1953, c.124,  
s.142.

**Arrangements for payment of calls and dividends**

**143** A company, if so authorized by its articles, may do any one or more of the following things, namely:

- (a) make arrangements on the issue of shares for a difference between the members in the amounts and times of payment of calls on their shares;
- (b) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up;
- (c) pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

R.S.S. 1940, c.113, s.142; R.S.S. 1953, c.124,  
s.143.

**BORROWING POWERS****Power to borrow money and secure payment**

**144(1)** A company may in addition to all other powers conferred by this Act, but subject to the conditions contained therein, borrow money for the purpose of carrying out the objects of its incorporation; and hypothecate, pledge or mortgage its real and personal property; issue debentures or debenture stock secured by mortgages or otherwise; sign bills, notes, contracts and other evidences of or securities for money borrowed or to be borrowed by it for the purposes aforesaid; and pledge debentures as security for temporary loans, but no company incorporated under this Act shall borrow money by taking deposits.

**(2)** These powers shall not be exercised except with the sanction of a resolution of the company previously given in general meeting.

R.S.S. 1940, c.113, s.143; R.S.S. 1953, c.124,  
s.144.

## COMMISSIONS, DISCOUNTS AND INTEREST

**Power to pay certain commissions**

**145** A company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorized by the memorandum or articles, and the commission paid or agreed to be paid does not exceed the amount or rate so authorized, or twenty per cent of the price at which the shares are issued, whichever is less, and, in the case of a public company, if the amount or rate per cent of the commission paid or agreed to be paid is:

- (a) in the case of shares offered to the public for subscription, disclosed in the prospectus; or
- (b) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, and, where a circular or notice, not being a prospectus, inviting subscriptions for the shares is issued, also disclosed in that circular or notice.

R.S.S. 1940, c.113, s.144; R.S.S. 1953, c.124, s.145.

**Other payments forbidden**

**146(1)** Save as provided in section 145 and subject to section 147 no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance to any person, in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally for shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for shares in the company, whether the shares or money be so applied by being added to the purchase money of property acquired by the company or to the contract price of work to be executed for the company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(2) Nothing in this section affects the power of a company to pay such brokerage as it has been lawful for a company to pay, and a vendor to, promoter of or other person who receives payment in money or shares from, a company shall have, and shall be deemed always to have had, power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

R.S.S. 1940, c.113, s.145; R.S.S. 1953, c.124, s.146.

**Power to pay or allow discount**

**147** A specially limited company may allow a discount to any person in consideration of his subscribing or agreeing to subscribe for any share of the company, if the allowance of the discount is authorized by the memorandum or articles, and the discount allowed does not exceed the amount so authorized, and, in the case of shares offered to the public for subscription, the amount so authorized is disclosed in the prospectus.

R.S.S. 1940, c.113, s.146; R.S.S. 1953, c.124, s.147.

**Power to pay interest out of capital in certain cases**

**148(1)** Where shares of a company are issued for the purpose of raising money to defray the expenses of the construction of works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant:

Provided that:

- (a) no such payment shall be made unless the same is authorized by the articles or by special resolution;
- (b) no such payment, whether authorized by the articles or by special resolution, shall be made without the previous sanction of the Local Government Board;
- (c) the payment of the interest shall not operate as a reduction of the amount paid up on the shares in respect of which it is paid;
- (d) the accounts of the company shall show the capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate.

(2) Every company which fails to comply with the requirements of clause (d) of the proviso to subsection (1) is guilty of an offence.

R.S.S. 1940, c.113, s.147; R.S.S. 1953, c.124, s.148.

**INVESTMENTS AND LOANS****Acquisition of shares in another company**

**149(1)** Notwithstanding anything contained in its memorandum, no public company shall take or acquire by purchase or otherwise shares in any other corporation unless expressly authorized in each such case by an ordinary resolution of the company.

(2) This section does not apply to a company the principal business of which consists in buying, selling and dealing in shares, or to an investment by a company of any surplus or reserve fund, or of a capital redemption fund under section 61, or to an acquisition of shares in *bona fide* settlement or compromise of any indebtedness to or claim of a company.

R.S.S. 1940, c.113, s.148; R.S.S. 1953, c.124, s.149.

**Loans to shareholders and directors**

**150(1)** A public company shall not lend money to any of its shareholders or directors:

Provided that nothing in this section prohibits:

- (a) the lending of money in the course of its business where the lending of money is part of the ordinary business of the company; or

(b) the making by a company of loans to persons, other than directors, *bona fide* in the employment of the company with a view to enabling those persons to purchase or erect dwelling houses for their own occupation.

(2) If any loan is made by a company in contravention of this section, the directors of the company are jointly and severally liable to the company for the amount of the loan with interest at the rate of six per cent per annum:

Provided that a director is not liable if he proves that the loan was made without his knowledge and consent.

R.S.S. 1940, c.13, s.149; R.S.S. 1953, c.124, s.150.

**Assistance by company for purchase of its shares**

**151(1)** A company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of shares in the company:

Provided that nothing in this section prohibits:

- (a) where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business;
- (b) the provision by a company, in accordance with any scheme for the time being in force, of money for the purchase by trustees of fully paid shares in the company to be held by or for the benefit of employees of the company, including any director holding a salaried employment or office in the company;
- (c) the making by a company of loans to persons, other than directors, *bona fide* in the employment of the company with a view to enabling those persons to purchase fully paid shares in the company to be held by themselves by way of beneficial ownership;
- (d) the making by a private company of a loan to a shareholder or director with a view to enabling him to purchase shares in the company held by an existing member or by a person entitled thereto by reason of the death or bankruptcy of a member.

(2) No money shall be provided as mentioned in clause (b) of subsection (1) and no loan shall be made as mentioned in clauses (c) and (d) of that subsection, unless the provision of the money or the making of the loan is previously authorized by special resolution.

(3) If a company gives financial assistance or provides money or makes a loan in contravention of this section, the directors of the company are jointly and severally liable to the company for the amount thereof with interest at the rate of six per cent per annum:

Provided that a director is not liable if he proves that the loan was made without his knowledge and consent.

R.S.S. 1940, c.113, s.150; R.S.S. 1953, c.124, s.151.

## AUDITORS

**Appointment and remuneration**

**152(1)** Every company shall, at each annual meeting, appoint an auditor or auditors to hold office until the next annual general meeting.

(2) If an appointment of auditor or auditors is not made at an annual general meeting, the registrar may, on the application of a member of the company, appoint an auditor or auditors of the company for the current year and fix the remuneration to be paid him by the company for his services.

(3) The first auditors of a company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting unless previously removed by a resolution of the shareholders in general meeting, in which case the shareholders at such general meeting may appoint auditors; thereafter the auditors shall be appointed by resolution at a general meeting of the corporation, and shall hold office until the next annual meeting unless previously removed by a resolution of the shareholders or members in general meeting.

(4) Subject to subsection (6), no person, other than a retiring auditor, shall be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the company not less than fourteen days before the annual general meeting; and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to the shareholders, either by advertisement or in any other mode provided by the articles of the company not less than seven days before the annual general meeting.

(5) If, after notice of the intention to nominate an auditor has been so given, an annual general meeting is called for a date fourteen days or less after the notice has been given, the notice, though not given within the time required by this section, shall be deemed to have been properly given for the purposes thereof, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(6) Notwithstanding anything contained in subsections (4) and (5), a person other than a retiring auditor may be appointed auditor of the company at an annual general meeting, upon a resolution passed by the votes of shareholders present in person or by proxy and holding at least two-thirds of the subscribed stock represented at the meeting.

(7) The directors of the company may fill any casual vacancy in the office of auditor, but while such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

(8) The remuneration of the auditors of a company shall be fixed by the shareholders at the annual meeting or by the directors pursuant to authorization given by the shareholders at the annual meeting, except that the remuneration of auditors appointed before the first annual meeting, or to fill a casual vacancy, may be fixed by the directors.

**Director, etc., not to be auditor**

**153** No director, manager or officer of a company, and no person who is a partner of or in the employment of a director, manager or officer of a company, shall be capable of being appointed auditor of the company:

Provided that a private company may by unanimous vote of all members entitled to vote for the election of directors appoint as auditor a director, manager or officer of the company or any such person as aforesaid, in which case the auditor shall state in his report that he is such director, manager, officer, partner or employee.

R.S.S. 1940, c.113, s.152; R.S.S. 1953, c.124, s.153.

**Auditor's rights and duties**

**154(1)** Every auditor of a company shall have a right of access at all times to the books and accounts, vouchers and documents of the company, and shall be entitled to require from the directors, managers and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and each auditor shall state in the report:

- (a) whether or not he obtained all the information and explanations he required;
- (b) whether, in his opinion the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of his information and the explanations given, and as shown by the books of the company; and
- (c) whether in his opinion all the transactions of the company that have come to his notice have been within the objects and powers of the company.

(3) Every auditor shall have the right to be present at any meeting of a company before which is laid any report made by him to the members of any accounts examined by him or on any balance sheet referred to in the report, or any such accounts or balance sheet, and shall have the right, and thereat shall, upon the request of a member, be required, to give to the best of his information an explanation with respect to such accounts or balance sheet.

(4) The rights and duties of an auditor under this section shall extend back to the date up to which the last audit of the company's books, accounts and vouchers was made, or where no audit has been made, to the date on which the company was incorporated.

(5) Section 112 applies to and in the case of persons employed by a company as auditors, whether those persons are or are not officers of the company, as it applies to and in the case of directors.

R.S.S. 1940, c.113, s.153; R.S.S. 1953, c.124, s.154.

## ACCOUNTS AND BALANCE SHEETS

**Books of accounts and rights to inspect**

**155(1)** Every company shall cause to be kept proper books of account with respect to:

- (a) all the sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; (c) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company, or at such other place as the directors think fit, and shall at all times be open to the inspection of the directors.

(3) In default of and subject to any regulations in the articles, the directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members who are not directors, and no member, not a director, shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the directors or by ordinary resolution.

(4) Every director of a company, who fails to take all reasonable steps to secure compliance by the company with the requirements of subsection (1) or subsection (2), or has by his own wilful act been the cause of any default by the company under either of the said subsections, is guilty of an offence.

R.S.S. 1940, c.113, s.154; R.S.S. 1953, c.124, s.155.

**Report of directors to annual general meeting**

**156(1)** The directors of every company shall, at some date not later than eighteen months after the incorporation of the company, and subsequently once at least in every calendar year, lay before the company at its annual general meeting a profit and loss account or, in the case of a company not trading for profit, an income and expenditure account for the period, in the case of the first account, since the incorporation of the company, and, in any other case, since the preceding account, made up to a date not earlier than the date of the meeting by more than four months, or, in the case of a company carrying on business or having interests outside Canada, by more than six months:

Provided that where the registrar grants to the company an extension of time under section 169 the periods aforesaid may, if the registrar thinks fit, be likewise extended.

(2) The directors shall cause to be made out in every calendar year, and to be laid before the company at its annual general meeting, a balance sheet as at the date to which the profit and loss account or the income and expenditure account, as the case may be, is made up, and there shall be attached to every such balance sheet the report of the auditors and a report by the directors with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend, and the amount, if any, which they propose to carry to the reserve fund, general reserve or reserve account shown specifically on the balance sheet, or to a reserve fund, general reserve or reserve account to be shown specifically on a subsequent balance sheet.



(3) The directors shall cause a copy of every balance sheet which is to be laid before the company in general meeting to be sent to the auditors of the company not less than seven days before the date of the meeting.

R.S.S. 1940, c.113, s.155; R.S.S. 1953, c.124,  
s.156.

**Particulars of loans to directors and others and remuneration of directors**

**157(1)** The accounts which pursuant to this Act are to be laid before every company in general meeting shall, subject to the provisions of this section, contain particulars showing:

- (a) the aggregate amount of any loans which during the period to which the accounts relate have been made either by the company, or by any other person under a guarantee from or on a security provided by the company, to any director, officer or employee of the company, including any such loans which were repaid during the said period;
- (b) the aggregate amount of any such loans made at any time before the period aforesaid and outstanding at the expiration thereof;
- (c) the total of the amount paid to or receivable by the directors as remuneration for their services by or from the company or by or from any subsidiary company.

(2) The provisions of subsection (1) with respect to loans do not apply:

- (a) in the case of a company, the ordinary business of which includes the lending of money, to a loan made by the company in the ordinary course of its business; or
- (b) to a loan made by the company to an employee of the company if the total amount of the loan does not exceed \$1,000 and is certified by the directors of the company to have been made in accordance with any practice adopted by the company with respect to loans to its employees.

(3) The provisions of subsection (1) with respect to the remuneration paid to directors do not apply in relation to a managing director of the company as such, and, in the case of any other director who holds any salaried employment or office in the company, there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

(4) If the requirements of this section are not complied with, it shall be the duty of the auditors of the company by whom the accounts are examined to include in their report on the balance sheet of the company, so far as they are reasonably able to do so, a statement giving the required particulars.

(5) In this section "remuneration" includes fees, percentages, emoluments and other payments made or consideration given, directly or indirectly, to a director as such, and the money value of any allowances or perquisites belonging to his office, and "subsidiary company" means a subsidiary company within the scope of section 163.

R.S.S. 1940, c.113, s.156; R.S.S. 1953, c.124,  
s.157.

**Form and contents of balance sheet**

**158** Every balance sheet of a company shall contain a summary of the authorized issued and paid up capital of the company, its liabilities and its assets, together with such particulars as are necessary to disclose the nature of the liabilities and the assets of the company and to distinguish between at least the following classes of assets and liabilities, namely:

- (a) cash;
- (b) debts owing to the company from its customers;
- (c) debts owing to the company from its directors, officers and shareholders respectively;
- (d) stock-in-trade;
- (e) expenditures made on account of future business;
- (f) lands, buildings and plant;
- (g) goodwill;
- (h) franchises, patents and copyrights, trade marks, leases, contracts and licences;
- (i) debts owing by the company secured by mortgage or otherwise upon the property of the company;
- (j) debts owing by the company but not secured;
- (k) amount of common shares, subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;
- (l) indirect and contingent liabilities;
- (m) amount written off on account of depreciation of plant, machinery, goodwill and similar items;
- (n) preliminary expenses;
- (o) the total amount received upon the issue of shares of capital stock which is attributable to the capital; and
- (p) the total amount received upon the issue of shares of the capital stock which is attributable to surplus;

and shall state how the value of the fixed assets are arrived at.

R.S.S. 1940, c.113, s.157; R.S.S. 1953, c.124, s.158.

**Commissions and discounts**

**159** Where a company has paid any sums by way of commission in respect of shares or debentures, or allowed any sums by way of discount in respect of debentures, the total amount so paid or allowed, or so much thereof as has not been written off, shall be stated in every balance sheet of the company until the whole amount thereof has been written off, but it shall not be necessary for a specially limited company to comply with this provision, nor shall the payment or allowance of the commission or discount affect the powers of a specially limited company or the directors to declare and pay dividends.

R.S.S. 1940, c.113, s.158; R.S.S. 1953, c.124, s.159.

**Redeemable shares**

**160** There shall be included in every balance sheet of a company which has issued redeemable shares a statement specifying what part of the issued capital of the company consists of such shares and the date on or before which those shares are, or are to be liable, to be redeemed.

R.S.S. 1940, c.113, s.159; R.S.S. 1953, c.124, s.160.

**Loans**

**161** There shall be included in every balance sheet of a company which has made any loans under the authority of section 151, a statement of the aggregate amount of all such loans outstanding.

R.S.S. 1940, c.113, s.160; R.S.S. 1953, c.124, s.161.

**Subsidiary companies**

**162** Where any of the assets of a company consist of shares in or amounts owing, whether on account of any loan or otherwise, from a subsidiary company or subsidiary companies, the name of such subsidiary company and the aggregate amount of those assets, distinguishing shares and indebtedness with respect to such subsidiary company, shall be set out in the balance sheet of the company separately from all its other assets, and where the company is indebted, whether on account of any loan or otherwise, to a subsidiary company or subsidiary companies, the name of any such subsidiary company and the aggregate amount of that indebtedness shall be set out in the balance sheet of the company separately from all its other liabilities.

R.S.S. 1940, c.113, s.161; R.S.S. 1953, c.124, s.162.

**Assets of other corporations**

**163(1)** Where the assets of a company consist in whole or in part of shares in another corporation, wherever incorporated, whether held directly or through a nominee, and:

- (a) the amount of the shares so held is, at the time when the accounts of the holding company are made up, more than fifty per cent of the issued capital of that other corporation or such as to entitle the company to more than fifty per cent of the voting power in that other corporation; or
- (b) the company has power, not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose pursuant to such provisions, directly or indirectly, to appoint the majority of the directors or persons occupying the position of director, by whatever name called in that other corporation;

that other corporation shall be deemed to be a subsidiary company for the purposes of this section and section 162:

Provided that where the ordinary business of the company includes the lending of money and the company holds shares in another corporation, wherever incorporated, as security only, no account shall, for the purpose of determining under this section or section 162 whether that other corporation is a subsidiary company, be taken of the shares so held.

(2) Where the company is a holding company, a financial statement of each subsidiary company, audited and certified correct, shall be appended to the balance sheet of the company.

R.S.S. 1940, c.113, s.162; R.S.S. 1953, c.124, s.163.

**Balance sheet to be signed**

**164** Every balance sheet shall be examined by the board of directors and signed on behalf of the board by two of the directors, or, if there is only one director, by that director, and if any copy of a balance sheet which has not been so signed is issued, circulated or published, or if any copy of a balance sheet is issued, circulated or published without having a copy of the auditors' certificate attached thereto, the company is guilty of an offence.

R.S.S. 1940, c.113, s.163; R.S.S. 1953, c.124, s.164.

**Rights of members and debenture holders to copies of balance sheets and reports**

**165(1)** Every person entitled to receive notices of general meetings of a public company shall on demand be furnished by the company gratis with a copy of its last balance sheet and profit and loss account or income and expenditure account, as the case may be, together with a copy of the report of its auditors on the balance sheet, and every company which fails to furnish such copy within seven days after the demand is made is guilty of an offence.

(2) Every shareholder and every debenture holder of a public company shall be furnished, within seven days after he has made a request in that behalf, with a copy of any document mentioned in subsection (1), or, where a copy has been furnished under that subsection, with an additional copy, at a charge not exceeding ten cents for every hundred words, and every company which fails within the said period to furnish such copy to a shareholder or debenture holder who requests it and tenders to the company the amount of the proper charge therefor is guilty of an offence, unless it is proved that the person making the request has already been furnished with a copy under this subsection.

R.S.S. 1940, c.113, s.164; R.S.S. 1953, c.124, s.165.

**Information as to remuneration of directors**

**166(1)** The directors of a company shall, on a demand in that behalf made to them in writing by members of the company entitled to not less than one-fourth of the aggregate number of votes to which all the members of the company are together entitled, furnish to all the members of the company, within a period of one month from the receipt of the demand, a statement, certified as correct, or with such qualifications as may be necessary, by the auditors of the company, showing, as respects each of the last two preceding years in respect of which the accounts of the company have been made up, the aggregate amount received in that year by way of remuneration by directors of the company, whether as such directors or otherwise, in connection with the management of the affairs of the company, and in respect of any such director who is:

- (a) a director of any other company which is in relation to the first mentioned company a subsidiary company; or

(b) by virtue of the nomination, whether direct or indirect, of the company a director of any other company;

there shall be included in the said aggregate amount any remuneration received by him for his own use, whether as a director of, or otherwise in connection with the management of the affairs of, that other company.

(2) In computing for the purpose of this section the amount of any remuneration received by a director, the amount actually received by him shall, if the company has paid on his behalf any sum by way of income tax in respect of the remuneration, be increased by the amount of the sum so paid.

(3) If a director fails to comply with the requirements of this section, he is guilty of an offence.

(4) In this section "remuneration" includes fees, percentages, emoluments and other payments made or consideration given, directly or indirectly, to a director as such, and the money value of any allowances or perquisites belonging to his office; and "subsidiary company" means a subsidiary company within the scope of section 162.

R.S.S. 1940, c.113, s.165; R.S.S. 1953, c.124, s.166.

#### **Balance sheet and auditors' report to be kept at registered office**

**167(1)** Every balance sheet and auditor's report shall be kept at the registered office of the company, and shall during business hours, subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection, be open to the inspection of any member or holder of debentures of the company gratis for at least seven days before the meeting to which the balance sheet will be presented and the report read, and also after the meeting.

(2) A company which refuses any inspection required under this section is guilty of an offence, and the court may order that an inspection be allowed within such time as it deems fit.

R.S.S. 1940, c.113, s.166; R.S.S. 1953, c.124, s.167.

### **GENERAL MEETINGS, ANNUAL RETURN AND RESOLUTIONS**

#### **Meetings to be held within province**

**168(1)** Subject to subsection (2) every general meeting of a company shall be held within the province.

(2) Where, in the opinion of the Provincial Secretary, circumstances render it advisable, he may grant permission to hold such meetings outside the province.

R.S.S. 1940, c.113, s.167; R.S.S. 1953, c.124, s.168.

**Annual general meeting**

**169**(1) Subject to subsection (2), the first annual general meeting of every company shall be held within eighteen months from the date of incorporation, and thereafter an annual general meeting of the company shall be held once at least in every calendar year and not more than fifteen months after the holding of the last preceding annual general meeting.

(2) The registrar may for good and sufficient reason extend the time within which a company is required to hold an annual general meeting for a period not exceeding three months, and also may relieve a company from the holding of any annual general meeting upon its filing with him, not less than one month before the time for holding the meeting, a statutory declaration of a director or officer, stating:

- (a) that the declarant is resident in the province and fully conversant with the affairs of the company;
- (b) that the company has not engaged in active business, except such business as is described in the declaration, since the date of its incorporation or of its last annual report, or of the last declaration filed under this section, as the case may be;
- (c) whether any request for a general meeting has been made by any member since such date and, if so the names of all such members;
- (d) the full address of the registered office;
- (e) the full names, addresses and occupations of the directors;
- (f) whether any shares have been transferred or other changes in membership have taken place since such date and, if so, particulars;
- (g) particulars of any shares allotted since such date; and
- (h) such other information as the registrar may require.

(3) A company which makes default in complying with the requirements of this section and has not been relieved by the registrar is guilty of an offence.

R.S.S. 1940, c.113, s.168; R.S.S. 1953, c.124, s.169.

**Power of court to call annual general meeting**

**170**(1) Where a company fails to hold any annual general meeting in accordance with the provisions of this Act, the court may, on the application of any member of the company, call or direct the calling of the meeting.

(2) A person on whose application an order is made under this section shall file with the registrar an office copy of the order within seven days after the order is made, and if he fails to do so he is guilty of an offence.

R.S.S. 1910, c.113, s.169; R.S.S. 1953, c.124, s.170.

**Annual return**

**171**(1) Every company shall once at least in every year make a return containing a list of all persons who, on the day after the date of the annual general meeting, are members of the company, and of all persons who have ceased to be members since the date of the last return or, in the case of the first return of the incorporation of the company:

Provided that a company having more than one hundred members may, with the consent of the registrar, omit from the list all persons whose names were stated in the last list filed with the registrar, except any such person who has changed his name or address or transferred or acquired any shares in the company since the date of that list.

(2) The list shall state the full names, addresses and occupations of all the past and present members therein mentioned, and the kind, class and number of shares held by each of the existing members at the date of the return, specifying- shares transferred, forfeited or cancelled since the date of the last return, or, in the case of the first return, of the incorporation of the company, by persons who are still members and have ceased to be members respectively, and the dates of forfeiture, cancellations and registration of transfers, and, if there are more than one hundred members and the names are not arranged in alphabetical order, shall have annexed to it an alphabetical list of such names.

(3) The return shall also contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:

- (a) the amount of the authorized capital of the company, and the kind, class and number of shares which the company is authorized to issue, and their nominal amount or par value, if any;
- (b) the number of shares taken from the commencement of the company to the date of the return;
- (c) the amount called up on each share;
- (d) the total amount of calls received;
- (e) the total amount of calls unpaid;
- (f) the total amount of the sums, if any, paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures, or, in the case of a specially limited company, of any shares, since the date of the last return or, in the case of the first return, since the incorporation of the company;
- (g) the total number of shares forfeited;
- (h) the total amount of shares for which share warrants are outstanding at the date of the return;
- (i) the total amount of share warrants issued and surrendered respectively since the date of the last return or, in the case of the first return, since the incorporation of the company;
- (j) the number of shares comprised in each share warrant;
- (k) the total amount of the indebtedness of the company in respect of all mortgages which are registered or required to be registered.

(4) The return shall also, except where the company is a private company, be accompanied by a copy of the balance sheet, laid before the annual general meeting in accordance with section 156, signed by the company's auditors, but the balance sheet need not include a statement of profit and loss.



(5) The return shall also state the full names, addresses and occupations of the president, secretary, treasurer, directors and the manager of the company and the situation of its head office in the province.

(6) Where the annual general meeting is not held by reason of the fact that the requisite quorum is not present, the registrar may accept the return with a statement thereon to that effect, the return being dated as of the day after the day for which the meeting was called.

R.S.S. 1940, c.113, s.170; R.S.S. 1953, c.124, s.171.

#### **Return to be filed**

**172(1)** Every company shall, on or before the first day of March in each year, file with the registrar the return made out in accordance with form L, including the particulars, if any, with respect to share warrants, and signed by a director, manager or other officer of the company.

(2) A company which makes default in complying with any requirement of this or the preceding section is guilty of an offence.

R.S.S. 1940, c.113, s.171; R.S.S. 1953, c.124, s.172.

#### **Requisition for general meeting**

**173(1)** Notwithstanding anything in the articles, the directors of a company shall, on the requisition of members of the company holding at the date of the deposit of the requisition not less than one-twentieth of such of the issued shares in the company as at the date of the deposit carry the right of voting at general meetings of the company forthwith convene an extraordinary general meeting of the company.

(2) The requisition shall state the objects of the meeting, and be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not within twenty-one days from the date of the deposit of the requisition convene a meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves do so, but any meeting so convened shall not be held after the expiration of three months from the said date.

(4) Any meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.

(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration in respect of their services to such of the directors as were in default.

(6) For the purposes of this section, the directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by section 176.

R.S.S. 1940, c.113, s.172; R.S.S. 1953, c.124, s.173.

**Provisions as to meetings in the absence of provisions in the articles**

**174** The following provisions shall have effect in so far as the articles of a company do not make other provision in that behalf:

- 1 A meeting of the company, other than a meeting for the passing of a special resolution, may be called by seven days' notice in writing;
- 2 Notice of the meeting of the company shall be served on every member of the company in the manner in which notices are required to be served by Table A in the first schedule, and for the purpose of this provision the expression "Table A" means that table as for the time being in force;
- 3 Two or more members holding not less than one-twentieth of the issued shares of the company may call a meeting;
- 4 In the case of a private company two members and in the case of any other company three members personally present shall be a quorum;
- 5 Any member elected by the members present at a meeting may be chairman thereof;
- 6 Every member shall have one vote for each share he holds.

R.S.S. 1940, c.113, s.173; R.S.S. 1953, c.124, s.174.

**Powers of court where meetings impracticable**

**175(1)** If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of the company may be called or to conduct the meeting of the company in manner prescribed by the articles or this Act, the court, either on the application of a director of the company or of a member of the company who would be entitled to vote at the meeting or of its own motion, may order a meeting of the company to be called, held and conducted in such manner as the court thinks fit, and where such order is made may give such ancillary or consequential directions as it thinks expedient, and a meeting called, held and conducted in accordance with such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted.

(2) A person on whose application an order is made under this section shall file with the registrar an office copy of the order within seven days after the order is made, and if he fails to do so he is guilty of an offence.

R.S.S. 1940, c.113, s.174; R.S.S. 1953, c.124, s.175.

**Passing of ordinary and special resolutions**

**176(1)** At any meeting at which an ordinary resolution or a special resolution is submitted, a declaration of the chairman that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(2) At any meeting at which an ordinary resolution or a special resolution is submitted, a poll may be demanded by one person for the time being entitled according to the articles to vote, or where the articles of the company prescribe some larger number, not in any case exceeding five, by that number of persons.

(3) When a poll is demanded in accordance with this section, in computing the majority on the poll reference shall be had to the number of votes to which each member is entitled by the articles of the company.

(4) For the purpose of passing an ordinary or a special resolution, notice of the meeting shall be deemed to be duly given and the meeting to be duly held when such notice is given as the articles provide, not being less than fourteen days' notice in the case of a special resolution, and when the meeting is held in manner provided by the articles.

(5) Where a resolution is passed at an adjourned meeting of:

- (a) a company;
- (b) the holders of any kind or class of shares in a company;
- (c) the directors of a company;
- (d) any creditors of a company;

the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

R.S.S. 1940, c.113, s.175; R.S.S. 1953, c.124, s.176.

#### **Evidence of resolution**

**177** A copy of any resolution of a company under its seal and purporting to be signed by any officer of the company shall be *prima facie* evidence of the resolution.

R.S.S. 1940, c.113, s.176; R.S.S. 1953, c.124, s.177.

#### **Power of executor, etc., to vote**

**178(1)** An executor, administrator, guardian, trustee or committee of a lunatic, and where a corporation is such executor, administrator, guardian, trustee or committee, of a testator, intestate, infant, *cestui que trust* or lunatic, any officer or employee of such corporation or any shareholder of the company duly appointed a proxy for such corporation, shall represent the shares in his hands at all meetings of the company and may vote accordingly as a shareholder, and every person who mortgages or hypothecates his shares may nevertheless represent the same at all such meetings, and may vote accordingly as a shareholder unless, in the instrument creating the mortgage or hypothecation, he has expressly empowered the holder of such mortgage or hypothecation to vote thereon, in which case only such holder or his proxy may vote in respect of such shares.

(2) Subject to the articles of association, if shares are held jointly by two or more persons any one of them present at a meeting may, in the absence of the other or others, vote thereon, but if more than one of them are present, or represented by proxy, they shall vote together on the shares jointly held.

(3) Where a corporation is executor, administrator, guardian, trustee or committee of a testator, intestate, infant, *cestui que trust* or lunatic, such corporation may appoint any of its officers, or employees, or a shareholder of the company, as proxy to represent the shares at any such meeting and to vote accordingly as a shareholder.

R.S.S. 1940, c.113, s.177; R.S.S. 1953, c.124, s.178.

#### **Copies of certain resolutions to be filed**

**179(1)** A company shall file with the registrar:

- (a) where no express provision is made by this Act, a copy of every special resolution;
  - (b) a copy of every resolution, whether passed in general meeting or by the directors, with respect to a sale or disposition of the whole or substantially the whole of the undertaking of the company, or the amalgamation of the company with any other corporation, or the purchase or acquisition by the company of the whole or part of the undertaking of any other corporation;
  - (c) a copy of every resolution, whether passed in general meeting or by the directors, authorizing the issue of any debentures.
- (2) Every resolution under this section shall be filed within fifteen days from the passing thereof, and every company which fails to comply with any requirements of this section is guilty of an offence.

R.S.S. 1940, c.113, s.178; R.S.S. 1953, c.124, s.179.

#### **Forms for reporting ordinary and special resolutions**

**180** Form M shall be used for reporting a copy of an ordinary resolution, and form N shall be used for reporting a copy of a special resolution, respectively, required to be filed under this Act.

R.S.S. 1940, c.113, s.179; R.S.S. 1953, c.124, s.180.

## **RECORDS**

#### **Minutes of proceedings of meetings and directors**

- 181(1)** Every company shall cause minutes of all proceedings of general meetings, and of separate meetings of the holders of any kind or class of share, and of its directors or managers to be entered in books kept for that purpose.
- (2) Any such minute if purporting to be signed by the chairmen of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.
- (3) “Until the contrary is proved, every general meeting of the company, or separate meeting of the holders of any kind or class of share, or meeting of directors or managers in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly held and convened, and all proceedings had thereat to have been duly had, and all appointments of directors, managers or liquidators shall be deemed to be valid.
- (4) If the books required to be kept under this section are not kept at the registered office of the company or in the possession of a director, manager or officer of the company resident in the province, the company shall keep at its registered office or in the possession of such director, manager or officer a duplicate or true copy of all minutes mentioned in this section, and the duplicate or true copy shall in all legal proceedings be admissible in evidence as of equal validity with the original minutes.
- (5) A company which makes default in complying with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.180; R.S.S. 1953, c.124, s.181.

**Inspection of minute books**

**182(1)** The books containing the minutes of proceedings of any general meeting of a company and required to be kept under section 181 shall during business hours, subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day are allowed for inspection, be open to the inspection of any member gratis.

(2) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf to the company, with a copy of any such minutes at a charge not exceeding ten cents for every hundred words.

(3) A company which refuses any inspection required under this section or fails to furnish any copy required under this section within the proper time is guilty of an offence and the court may by order compel an immediate inspection of the books in respect of all proceedings of general meetings or direct that the copies required shall be furnished to the member requiring them.

R.S.S. 1940, c.113, s.181; R.S.S. 1953, c.124, s.182.

**Register of mortgages and debentures**

**183(1)** Every company shall keep at its registered office:

- (a) a register of mortgages in which shall be entered all mortgages specifically affecting property of the company, giving in each case a short description of the property mortgaged, the amount of the mortgage, and, except in the case of securities to bearer, the names of the mortgagees or persons entitled thereto;
- (b) a register of holders of its registered debentures;
- (c) a copy of every instrument made by it and creating a mortgage requiring registration either under *The Corporation Securities Registration Act* or under any former Act of the Legislature:

Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

(2) A company which makes default in complying with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.182; R.S.S. 1953, c.124, s.183.

**Register open to inspection**

**184(1)** The copies of instruments creating any mortgage requiring registration or registered under this or any former *Companies Act*, and the register of mortgages and the register of holders of debentures, shall during business hours, subject to such reasonable restrictions as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection, be open to the inspection of any creditor, member or debenture holder of the company gratis, and the register of mortgages shall also be open to the inspection of any other person on payment of twenty-five cents or such less sum as the company may prescribe, for each inspection.

(2) A company which refuses any inspection required under this section is guilty of an offence, and the court may order that an inspection be allowed within such time as it thinks fit.

R.S.S. 1940, c.113, s.183; R.S.S. 1953, c.124, s.184.

## ARRANGEMENTS AND SCHEMES

**Powers of court as to arrangements and schemes**

**185(1)** Where an arrangement or scheme is proposed between a company and its creditors or any class of them, or, for the purposes of or in connection with a scheme for the reconstruction of any company or companies, or the amalgamation of any two or more companies, between the company and its members or any class of them, the court may, on the application in a summary way of the company or of any creditor or member of the company, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be summoned in such manner as the court directs.

(2) If a majority representing not less than three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any arrangement or scheme, the arrangement or scheme shall, if sanctioned by the court, be binding on all the creditors or the class of creditors, or on the members or class of members, as the case may be, and also on the company.

(3) Where an order is made under this section, an office copy thereof shall be filed with the registrar within fifteen days from the date of the order or within such further time as the court may allow, and the arrangement or scheme shall not take effect until a copy has been so filed.

R.S.S. 194 0, c.113, s.184; R.S.S. 1953, c.124, s.185.

**Sanction of arrangement or scheme**

**186(1)** Where an application is made to the court under section 185 for the sanctioning of an arrangement or scheme proposed between a company and any such persons as are mentioned in that section, and it is shown to the court that under the arrangement or scheme the whole or any part of the undertaking or the property of any company concerned in the arrangement or scheme, in this section referred to as a “transferor company”, is to be transferred to another company, in this section referred to as the “transferee company”, the court may, either by the order sanctioning the arrangement or scheme or by any subsequent order, make provision for all or any of the following matters:

- (a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;
- (b) the allotting or appropriation by the transferee company of any shares, debentures or other like interests in that company which under the arrangement or scheme are to be allotted or appropriated by that company to or for any person;
- (c) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;
- (d) the dissolution, without winding up, of any transferor company;
- (e) the provision to be made for any persons who, within such time and in such manner as the court directs, dissent from the arrangement or scheme;
- (f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.



(2) Where an order under this section provides for the transfer of property or liabilities, that property shall by virtue of the order be transferred to and vest in, (subject in the case of lands to the provisions of *The Land Titles Act*), and those liabilities shall by virtue of the order be transferred to and become liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the arrangement or scheme to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause an office copy thereof to be filed with the registrar within seven days after the making of the order, and every such company which fails to comply with this provision is guilty of an offence.

(4) In this section “property” includes property, rights and powers of every description, and “liabilities” includes duties.

R.S.S. 1940, c.113, s.185; R.S.S. 1953, c.124, s.186.

**Power to acquire shares of dissenting shareholders**

**187(1)** Where a scheme or contract involving the transfer of shares or any class of shares in a company, in shareholders this section referred to as the “transferor company”, to another company, in this section referred to as the “transferee company”, has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than nine-tenths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting member that it desires to acquire his shares; and where such a notice is given the transferee company shall, unless, on an application made by the dissenting member within one month from the date on which the notice was given, the court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving members are to be transferred to the transferee company.

(2) Where a notice has been given by the transferee company under this section and the court has not, on an application made by the dissenting member, ordered otherwise, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the court by the dissenting member is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Sums received by the transferor company under this section shall be paid into a separate bank account, and such sums and any other consideration so received shall be held by that company in trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section “dissenting member” includes a member who has not assented to the scheme or contract and any member who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.

R.S.S. 1910, c.113, s.186; R.S.S. 1953, c.124, s.187.



## INSPECTION

**Investigation of company's affairs**

**188(1)** Upon the application of members holding not less than one-twentieth of the issued shares of a company, the court may for good reason, and upon proof that the applicants are not actuated by malicious motives, appoint a competent inspector to investigate the affairs and management of the company, and to report thereon to the court, and may prescribe the manner and extent of the investigation.

(2) The court may, before appointing an inspector, require the applicants to give security for payment of the costs and expenses of the investigation, and may fix the amount of the costs and expenses, and shall order by whom and in what proportion the costs and expenses of the investigation shall be paid.

(3) Every director, manager, officer and agent of the company shall produce to the inspector all books and papers in his custody or power.

(4) An inspector may examine on oath any director, manager, officer or agent of the company in relation to its business, and may administer an oath accordingly.

(5) Every director, manager, officer or agent who refuses to produce any book or paper which under this section it is his duty to produce, or who on an examination under this section refuses to answer any question relating to the affairs of the company, is guilty of an offence.

(6) The inspector shall on conclusion of his investigation make in duplicate a printed or typewritten report to the court, one copy of which shall be forthwith transmitted by the registrar of the court to the registrar, who shall file the same, and the inspector shall also furnish additional copies of the report, as the court may order.

(7) Notice of an application under this section shall be given to the registrar, and, if the court makes an order appointing an inspector, the inspector shall within seven days from the date of the order file with the registrar an office copy of the order.

R.S.S. 1940, c.113, s.187; R.S.S. 1953, c.124,  
s.188.

**Power of company to appoint inspectors**

**189(1)** A company may by special resolution appoint inspectors to investigate its affairs.

(2) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the court, except that, instead of reporting to the court, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) Directors, managers, officers and agents of the company shall incur the like penalties in case of refusal to produce any book or paper required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the court.

(4) A copy of the report of inspectors appointed under this section, authenticated by the seal of the company the affairs of which they have investigated, shall be admissible in any legal proceedings as evidence of the opinion of the inspectors in relation to any matter contained in the report.

R.S.S. 1940, c.113, s.188; R.S.S. 1953, c.124,  
s.189.

## PART V

## Extra-Provincial Companies

## REGISTRATION

**Extra-provincial companies to register**

**190(1)** Every extra-provincial company having gain for its object or part of its object and carrying on business in Saskatchewan, shall be registered under this Act within thirty days after commencing business in the province.

(2) An extra-provincial company heretofore registered under any former *Companies Act* shall be deemed to be registered under this Act if its name is on the register of such companies or is restored thereto pursuant to section 215.

(3) An extra-provincial company which is not duly incorporated by or under a statute, Act or ordinance of the province, state or country where the company was formed shall not be registered or carry on business in the province.

(4) "Business" in this Part means the object or purpose for which an extra-provincial company is established, but does not include the business of banking, the construction or operation of a railway or of a telegraph line.

R.S.S. 1940, c.113, s.189; R.S.S. 1953, c.124, s.190.

**Requirements before registration**

**191(1)** An extra-provincial company may become registered in Saskatchewan for any lawful purpose on compliance with the provisions of this Act, and on payment of the fees prescribed.

(2) The registrar may, in the case of all companies other than Dominion companies, refer the application to the Lieutenant Governor in Council, who may refuse registration at his discretion, and in case of refusal such company shall not be registered.

(3) The registrar may by his certificate restrict the powers which a company other than a Dominion Company, may exercise in Saskatchewan, and in such case the company shall, subject to the provisions hereinafter contained, carry on only such parts of its business or exercise only such of its powers as are authorized by the certificate.

(4) Where the registrar decides to register the company for only part of its powers, he shall notify the company to that effect, and the company or any member thereof may appeal to the Lieutenant Governor in Council, who shall thereupon direct the registrar as to the extent to which the company shall be registered.

R.S.S. 1940, c.113, s.190; R.S.S. 1953, c.124, s.191.

**Statement upon application for registration**

**192(1)** Every extra-provincial company required to be registered under this Act shall file with the registrar a statement (form O) specifying:

- (a) the name of the company;
- (b) the province, state or country where the company was incorporated;
- (c) the date of incorporation;

- (d) full particulars of the charter and regulations of the company and all amendments thereto;
- (e) the period, if any, fixed by its charter for the duration of the company;
- (f) the extent, if any, to which the liability of members of the company is limited under its charter;
- (g) the business which the company will carry on in the province;
- (h) the date on which the company intends to commence business in the province;
- (i) the authorized, subscribed and paid up capital of the company and the shares which the company is authorized to issue and their nominal or par value, if any;
- (j) the full address of the head office of the company outside the province;
- (k) the full address of the head office of the company within the province;
- (l) the full names, addresses and occupations of the directors of the company.

(2) The statement shall declare that the company is a valid and subsisting corporation and legally authorized to transact business under its charter, and shall be duly executed by the company under its common seal, if any, and two directors or officers of the company shall make a statutory declaration on behalf of the company verifying the particulars set forth in the statement.

(3) The statement shall be accompanied by a copy of the charter and regulations of the company, verified in manner satisfactory to the registrar.

(4) If the company proposes to sell any of its shares or debentures in the province, the statement shall also be accompanied:

- (a) by a statement in lieu of prospectus (form C) subject only to such changes as the facts may demand; and
- (b) official copies of any licence or other form of authority which the company is required to obtain under the laws of the province, state or country of its incorporation before it is permitted to offer for subscription or sale any of its shares or debentures, and of the material filed on the application for the licence or other form of authority, except in so far as the registrar dispenses with such material;

but this subsection does not apply to a company constituted as a private company under its charter and regulations.

(5) Where any document required to be filed under this section is not in the English language, the registrar may require a translation thereof notarily certified.

R.S.S. 1940, c.113, s.191; R.S.S. 1953, c.124, s.192.

**Power of attorney**

**193(1)** Every extra-provincial company shall, before registration, file with the registrar a duly executed power of attorney under its common seal (form P), empowering some person therein named and residing in some one of the cities, towns or villages of Saskatchewan to act as its attorney for the purpose of receiving service of process in all suits and proceedings by or against the company within Saskatchewan, and of receiving all lawful notices, and declaring that service of process in respect of such suits and proceedings, and of such notices, on the said attorney shall be legal and binding to all intents and purposes whatever.

(2) Such company may by a new or other power of attorney executed and deposited as aforesaid appoint another attorney within Saskatchewan for the purposes aforesaid and replace the attorney formerly appointed.

(3) If the attorney named ceases to reside in one of the cities, towns or villages of Saskatchewan, or if the power of attorney filed becomes invalid or ineffectual for any other reason, the company shall file another power of attorney which shall comply with the requirements of subsection (1).

(4) It is hereby declared that service of process and notices on an attorney appointed under any of the preceding subsections shall be legal and binding on the company.

(5) Every deed which any person, lawfully empowered in that behalf by an extra-provincial company as its attorney, signs on behalf of the company, shall, if such person seals with his own seal, be binding on the company in Saskatchewan and shall have the same effect as if it were under the seal of the company.

R.S.S. 1910, c.113, s.192; R.S.S. 1953, c.124, s.193.

**Certificate of registration**

**194(1)** Upon receipt of the statement and other documents prescribed and of the proper fees, the registrar shall issue under his seal of office a certificate showing that the company is registered as an extra-provincial company under this Act, and shall publish in the *Gazette* a copy of the certificate.

(2) A certificate of registration given by the registrar in respect of an extra-provincial company shall, so long as it remains in force, be conclusive evidence of the registration, of the date thereof and of any other facts which it purports to certify.

(3) In this section “certificate of registration” includes a certificate issued under section 201 and a licence or certificate of registration issued to an extra-provincial company under any former *Companies Act*.

R.S.S. 1940, c.113, s.193; R.S.S. 1953, c.124, s.194.

**Effect of registration**

**195** Subject to the provisions of this Act and the laws of the province, an extra-provincial company registered under this Act may within the province carry on business in accordance with its certificate of registration, and for that purpose exercise the powers contained in its charter and regulations.

R.S.S. 1940, c.113, s.194; R.S.S. 1953, c.124, s.195.

**Dominion companies**

**196** Nothing in this Act shall be deemed to affect the status of a Dominion company, or to impair its right to carry on business in the province.

R.S.S. 1940, c.113, s.195; R.S.S. 1953, c.124, s.196.

**Suspension or revocation of registration**

**197(1)** The Lieutenant Governor in Council may suspend or revoke the registration of a company other than a Dominion company, for good cause or for failure to comply with any requirement of this Part, and may also remove or cancel a suspension or revocation, subject to any conditions which may be deemed proper.

(2) No suspension or revocation shall affect the rights of any creditor of the company.

(3) Notice of any suspension or revocation, or removal or cancellation thereof, shall be published by the registrar in the *Gazette*.

R.S.S. 1940, c.113, s.196; R.S.S. 1953, c.124, s.197.

**Cancellation and revival of registration**

**198(1)** Where an extra-provincial company ceases to carry on business in the province, the company shall file a notice to that effect with the registrar, and thereupon the registrar shall cancel the registration of the company, and shall, if he thinks it advisable, publish a notice in the *Gazette* to that effect.

(2) Where an extra-provincial company ceases to exist and the registrar obtains evidence thereof to his satisfaction, the registrar may cancel the registration of the company.

(3) Where the registration of a company has been cancelled under this section, the registration may be revived by the registrar upon the company filing such documents as he requires, and upon payment of the proper fees. The registrar may issue a fresh certificate of registration and require such publication in the *Gazette* as he thinks advisable.

R.S.S. 1940, c.113, s.197; R.S.S. 1953, c.124, s.198.

**Penalty for failure to register**

**199** An extra-provincial company which fails to become registered as required by this Part is guilty of an offence and liable on summary conviction to a penalty not exceeding \$20 for every day during which the default continues.

R.S.S. 1940, c.113, s.198; R.S.S. 1953, c.124, s.199.

**DUTIES AND OBLIGATIONS****Name of company to be displayed outside head office, etc.**

**200** Every extra-provincial company to which this Part applies shall:

- (a) paint or affix, and keep painted or affixed, its name on the outside of its head office and every other office or place in which its business is carried on in the province, in a conspicuous position, in letters easily legible; and

(b) in the transaction of all its business within the province, have its name mentioned in legible characters in all notices, advertisements and other official publications of the company, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

R.S.S. 1940, c.113, s.199; R.S.S. 1953, c.124, s.200.

#### **Alterations by extra-provincial companies**

**201(1)** Every extra-provincial company the name of which has been changed or the charter or memorandum of association of which or the objects of the incorporation of which have been altered, or the articles of association of which have been altered or added to, shall, within one month after the change is made, file with the registrar a duly certified copy of the special resolution, supplementary letters patent, order of court, order in council or other document by which the change, alteration or addition was effected, and there upon, and upon receipt of the fee prescribed therefor, the registrar shall enter the new name in the register in place of the old name, or shall, with the approval of the Provincial Secretary, register the alteration or addition, as the case may be.

(2) No licence issued to the company before the change of name, alteration of the charter or memorandum of association or of the objects of incorporation, or the alteration of or addition to its articles, shall be valid for more than sixty days after such change, alteration or addition, unless subsection (1) has in the meantime been complied with.

(3) An extra-provincial company which makes default in filing with the registrar any document required to be filed under subsection (1) is guilty of an offence and liable on summary conviction to a fine not exceeding \$20 for every day during which the default continues.

(4) Upon registration of the change of name, alteration of the charter or memorandum of association or of the objects of incorporation, the registrar shall issue to the company a certificate, under his hand, in form adapted to the circumstances, and such certificate shall be conclusive evidence of the change of name, alteration of the charter or memorandum of association or of the objects of incorporation, as the case may be.

(5) The registrar shall also, in the case of a change of name, publish a notice thereof in the *Gazette*, and such publication shall be conclusive evidence of the change.

R.S.S. 1940, c.113, s.200; R.S.S. 1953, c.124, s.201.

#### **Prospectuses to be filed**

**202(1)** Every extra-provincial company, other than a Dominion company, to which this Part applies shall file with the registrar a copy of any prospectus offering for subscription or purchase in the province any of its shares or debentures, and such prospectus shall state the province, state or country in which the company was incorporated, and sections 115, 116, 117, 134 and 135 apply, *mutatis mutandis*, to every prospectus filed under this section.

(2) Where an extra-provincial company, to which this Part applies allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, and the whole consideration for such shares or debentures has not been paid to the company before an offer of any such shares or debentures is made to the public in the province, sections 132 and 133 apply with respect to any such offer.

(3) Every Dominion company to which this Part applies shall file with the registrar a copy of any prospectus issued by it and inviting subscriptions or applications in the province for any of its shares or debentures.

R.S.S. 1940, c.113, s.201; R.S.S. 1953, c.124, s.202.

#### Annual return

**203(1)** Every extra-provincial company shall, not later than the first day of March in each year after the date of its registration, forward to the registrar a return (form Q) made up to the thirty-first day of December last preceding, giving the following particulars:

- (a) the amount of the share capital of the company and the number of shares into which it is divided;
- (b) the number of the shares taken from the commencement of the company to the date of the return;
- (c) the amount called up on each share;
- (d) the total amount received from calls;
- (e) the total amount unpaid on calls;
- (f) the total number of shares forfeited;
- (g) the total amount, if any, agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash;
- (h) the names and addresses of the persons who at the date of the return are the directors of the company;
- (i) the total amount of debt due from the company in respect of mortgages and charges;
- (j) the full address of the head office, giving the name of the city or town and street and number;
- (k) the full address of the chief place of business in Saskatchewan, giving the city or town and street and number;
- (l) the nature of the business or businesses carried on during the year ending December thirty-first last;
- (m) the particulars mentioned in clauses (h), (i) and (j) of subsection (3) of section 171 if the company has issued a share warrant; and
- (n) in the case of any company other than a Dominion company, any other information which in the opinion of the registrar should be filed in his office respecting the company.



(2) A company issuing shares without any nominal or par value shall include in the return, in lieu of or in addition to clauses (a) to (g) of subsection (1) inclusive, as the case may require, a statement of the number of such shares outstanding at the date of the return, and the number which have been issued since the last return.

(3) The contents of the return shall be certified by a director or officer of the company.

(4) A company which neglects or refuses to file the above return within the period limited therefor is guilty of an offence and liable on summary conviction to a fine of \$5 for every day during which the default continues. The company may also, if not a Dominion company, be struck off the register by the registrar in accordance with the provisions of section 218.

(5) This section does not apply to a company which is an insurer within the meaning of *The Saskatchewan Insurance Act* and is required by that Act to prepare annually and deliver to the Superintendent of Insurance a statement of the condition of its affairs.

R.S.S. 1940, c.113, s.202; 1942, c.24, s.4; R.S.S.  
1953, c.124, s.203.

## DISABILITIES AND PENALTIES

### Unlicensed company incapable of maintaining certain actions

**204(l)** An extra-provincial company not registered and licensed, as required by this Act, shall not be capable of maintaining any action, suit or other proceeding in any court in the province in respect of any contract made in whole or in part within the province in the course of or in connection with its business.

(2) Where:

(a) an extra-provincial company has been registered and licensed under this Act or a former *Companies Act*; or

(b) the registration of an extra-provincial company is suspended or revoked and is subsequently restored; or

(c) the company has been struck off the register pursuant to this Act or a former *Companies Act* and is subsequently restored to the register;

the provisions of subsection (1) shall be read and construed as if no disability thereunder had ever attached to the company, notwithstanding that any such contract was made or proceeding in respect thereof instituted by the company:

(d) before the date on which the company was or is so registered and licensed as aforesaid; or

(e) before the date when the registration is restored, subject nevertheless to any conditions imposed upon the company; or

(f) before the date when the company was so restored, subject nevertheless to the terms of the order made by the court.

(3) This section does not apply to a Dominion company.

R.S.S. 1940, c.113, s.203; R.S.S. 1953, c.124,  
s.204.

**Resumption of action upon registration**

**205** Where an action, suit or other proceeding has been dismissed or otherwise decided against an extra-provincial company on the ground that an act or transaction of the company was invalid or prohibited by reason of the company not having been registered and licensed pursuant to this or a former *Companies Act*, the company may, if it is registered and licensed as required by this Act and upon such terms as to costs as the court may order, maintain anew such action, suit or other proceeding as if no judgment had therein been rendered or entered.

R.S.S. 1940, c.113, s.204; R.S.S. 1953, c.124, s.205.

**Agents for unregistered company carrying on business**

**206** Every company, extra-provincial company, firm, broker or other person acting as the agent or representative of or in any other capacity for an extra-provincial company, other than a Dominion company, which fails to become registered as required by this Part is guilty of an offence and liable on summary conviction to a fine not exceeding \$20 for every day during which that company continues unregistered.

R.S.S. 1940, c.113, s.205; R.S.S. 1953, c.124, s.206.

**Company not complying with this Part guilty of offence**

**207** An extra-provincial company which after registration makes default in complying with any requirement of this Part which applies to it is guilty of an offence.

R.S.S. 1940, c.113, s.206; R.S.S. 1953, c.124, s.207.

**Requirements where shares, etc., of unregistered company offered in province**

**208(1)** Every company or extra-provincial company or firm which, and every broker or other person who, as owner or otherwise, offers to the public, in a course of continued and successive acts within the province, for subscription or purchase by the public, any shares in or debentures or other securities of an extra-provincial company, other than a Dominion company, which is not registered under this Act, shall file with the registrar before any offer thereof is made:

(a) where a prospectus relating to the shares, debentures or securities is issued, a copy of such prospectus, showing the date of its issue and the province, state or country in which the company was incorporated, and signed by the company, extra-provincial company, firm, broker or other person making the offer; or, where no such prospectus is issued, such information as the registrar may require; and

(b) where the company is required to obtain under the laws of the province, state or country in which it was incorporated a licence or other form of authority before it is permitted to offer for subscription or sale any of its shares, debentures or other securities in that province, state or country, an official copy of such licence or other form of authority.

(2) Where subsection (1) applies no person shall issue in a form of application for, or publish or circulate any matter not amounting to a prospectus, but which expressly or by implication invites the public to subscribe for or purchase, any shares, debentures or securities, unless that subsection has been complied with, and where that subsection applies, sections 132 and 133 also apply *mutatis mutandis*.

(3) Every company or extra-provincial company or firm which, and a broker or other person who, fails to comply with or contravenes any provision of this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$500 for each offence.

(4) This section does not apply where the shares, debentures or other securities are listed on any stock exchange approved by the registrar under *The Securities Act* and proof thereof has been filed with the registrar.

R.S.S. 1940, c.113, s.207; R.S.S. 1953, c.124, s.208.

#### **Offers relating to proposed companies prohibited**

**209** No person in the province shall offer to or invite the public in the province to subscribe for or purchase any shares in or debentures or securities of a company proposed to be formed outside the province, unless that person at the time of making the offer or invitation states that the company has not yet been formed, and every person who contravenes this section is guilty of an offence.

R.S.S. 1940, c.113, s.208; R.S.S. 1953, c.124, s.209.

#### **Onus of proof registration**

**210** The onus of proving that an extra-provincial company is registered, or is not required to be registered, under this Act or has otherwise complied with this Part, lies upon the accused in any prosecution under sections 206 to 209.

R.S.S. 1940, c.113, s.209; R.S.S. 1953, c.124, s.210.

#### **Consent of Attorney General before prosecution**

**211** No prosecution in respect of a violation of any provision of this Part shall be brought except with the prosecution written consent of the Attorney General.

R.S.S. 1940, c.113, s.210; R.S.S. 1953, c.124, s.211.

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## **PART VI**

### **LICENCES**

#### **Certain companies to be licensed**

**212(1)** Every company, except a company incorporated under section 10, or any similar provision in a former *Companies Act*, and every extra-provincial company, may, upon complying with the provisions of this Act and the regulations, and every mutual insurance company may, receive a licence from the registrar to carry on its business and exercise its powers in Saskatchewan.

(2) Such licence shall expire on the thirty-first day of December in the year for which it is issued, but shall be renewable annually upon payment of the prescribed fees.

(3) A company receiving a licence from the registrar may, subject to the provisions of its charter, carry on business in all respects as if it had been incorporated under this Act.

(4) There shall be paid to Her Majesty, for the public use of Saskatchewan, for every licence under this Act, such fees as may be prescribed by the Lieutenant Governor in Council.

(5) Every company which carries on business in Saskatchewan without a licence, and every president, vice president, director and secretary or secretary treasurer of such company, is respectively guilty of an offence and liable on summary conviction to a fine not exceeding \$25 for every day the default continues.

(6) Application for registration or for registration and licence may be made in form R.

(7) The first five subsections of this section do not apply to a Dominion company but every such company carrying on business in Saskatchewan shall, not later than the first day of January in each year, file with the registrar a statement in writing (form S) signed by the president, vice president, secretary or manager of the company, certifying that the company is so carrying on business, accompanied by a fee of \$10, and the registrar shall thereupon issue to a company a certificate of renewal of registration (form T).

(8) A Dominion company carrying on business in Saskatchewan which fails to comply with the provisions of subsection (7) is guilty of an offence and liable on summary conviction to a fine of \$20 for every day during which the default continues.

R.S.S. 1940, c.113, s.211; 1953, c.41, s.3; R.S.S. 1953, c.124, s.212.

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## PART VII

### Dissolution

#### CANCELLATION OF INCORPORATION

##### **Lieutenant Governor in Council may cancel incorporation**

**213** On sufficient cause being shown, and upon such conditions and subject to such provisions as may be deemed proper, the Lieutenant Governor in Council may revoke and cancel the incorporation of a company and declare the company to be dissolved.

R.S.S. 1940, c.113, s.212; R.S.S. 1953, c.124, s.213.

## STRIKING COMPANIES OFF THE REGISTER

### Companies ceasing business

**214(1)** Where the registrar has reasonable cause to believe that a company or an extra-provincial company registered under this Act has ceased to carry on business, he shall send to the registered office of the company, by post, a letter inquiring whether the company is carrying on business or in operation and if he does not receive an answer thereto within one month of sending such letter he shall, within fourteen days after the expiration of the said month, send a registered letter of the same purport with an added warning, that, if no reply is received within a period of one month from the date of sending such registered letter, a notice will be published in the *Gazette* with a view to striking the name of the company off the register.

(2) If the registrar receives an answer from the company to the effect that it is not carrying on business or in operation, or if the letter is returned to him through the post office, or if he receives no answer thereto, he may publish in the *Gazette* a notice that, at the expiration of three months from the date of that notice, unless cause is shown to the contrary, the name of the company will be struck off the register, and the company, if a Saskatchewan company, dissolved, or, if an extra-provincial company, will be deemed to be a company not registered under Part V.

(3) In any case where a company or extra-provincial company is being wound up, if the registrar has reasonable cause to believe that no liquidator is acting or that the affairs of the company are fully wound up, or if the returns required to be made by the liquidator have not been made for a period of three consecutive months, after notice by the registrar demanding the returns has been sent by post to the registered office of the company, or, in the case of an extra-provincial company, to the attorney of the company in Saskatchewan, and to the liquidator at his last known place of business, the registrar may publish in the *Gazette* a like notice to that provided in subsection (2).

(4) At the time mentioned in the notice the registrar may, unless cause is shown to the contrary, strike the name of such company off the register and thereupon the company shall, if a Saskatchewan company, be dissolved, or if an extra-provincial company, shall be deemed to be a company not registered under Part V:

Provided that in the former case the liability, if any, of every director, manager, secretary or other officer or member of the company shall continue and may be enforced as if the company had not been dissolved.

R.S.S. 1940, c.113, s.213; R.S.S. 1953, c.124,  
s.214.

### Restoring name to register

**215** If a company or any member or creditor thereof feels aggrieved by the name of such company having been struck off the register pursuant to section 214, or any other section of this Act, or any section of *The Corporations Taxation Act*, the company or member or creditor may apply to the court upon notice to the registrar; and the court, upon hearing the registrar and the applicant, may, if satisfied:

- (a) that the company was at the time of striking off actually carrying on business or in operation;
- (b) that no other company has subsequently been incorporated or registered with the same name or a name so nearly resembling the same as to be calculated to deceive; and

(c) that it is just and proper to do so;

order the name of the company to be restored to the register on payment of such fees as are prescribed in the regulations for that purpose; in which event the registrar shall forthwith publish in the *Gazette* a notice that the name of the company has been restored to the register, and thereupon the company shall be deemed to have continued in existence, and the company and all persons shall be in the same position as if the name of the company had never been struck off.

R.S.S. 1940, c.113, s.214; R.S.S. 1953, c.124, s.215.

#### Notices by mail

**216** A letter or notice authorized or required for the purpose of section 214 to be sent to a company may be sent by post addressed to the company, at its registered office, or if no office has been registered, addressed to the care of some director or officer of the company, or, if there be no director or officer of the company whose name and address are known to the registrar, the letter or notice in identical form may be sent to each of the persons who subscribed the memorandum of association addressed to him at the address mentioned in the memorandum.

R.S.S. 1940, c.113, s.215; R.S.S. 1953, c.124, s.216.

#### Companies failing to pay fees

**217** Should the registrar not receive any fee prescribed by the regulations made by the Lieutenant Governor in Council under this Act by the date when such fee is due, he shall send to the company in default a registered letter notifying it of its liability and at the expiration of a period of one month, should such fee remain unpaid, he may, without further notice, cause the name of the company to be struck off the register and publish the fact in the *Gazette*:

Provided that the liability of every director or officer or member of the company shall continue and may be enforced as if the name of the company had not been struck off the register.

R.S.S. 1940, c.113, s.216; R.S.S. 1953, c.124, s.217.

#### Companies failing to comply with Act

**218(1)** If a registered company fails to comply with any of the requirements of this Act in any particular in which no other procedure is prescribed, the registrar shall send to the registered office of the company, by post, a letter drawing attention to the default and stating that unless the same is remedied within a time to be therein limited, the company may be struck off the register.

(2) The registrar may in his discretion extend the time mentioned, but if the default is not remedied in accordance with the notice or within such extended time, as the case may be, the registrar may strike the name of the company from the register.

(3) If the company or a member or creditor thereof feels aggrieved by the action of the registrar, the company or such member or creditor may apply to the court upon notice to the registrar, and the court, upon hearing the registrar and the applicant, may, if satisfied that it is just and proper to do so, order the name of the company to be restored to the register on payment of such fees as are prescribed in the regulations for that purpose.

(4) A letter or notice authorized or required for the purpose of this section to be sent to a company may be sent in the manner prescribed by section 216.

R.S.S. 1940, c.113, s.217; R.S.S. 1953, c.124, s.218.

#### **Dominion companies**

**219(1)** Sections 214 to 218 do not apply to Dominion companies, but the registrar, if satisfied that any such company is not carrying on business in Saskatchewan, may, for the purpose of correcting his register, publish in the *Gazette* a notice that, on the expiration of one month from the date of the notice, unless cause is shown to the contrary, the name of the company will be struck off the register.

(2) At the time mentioned in the notice the registrar may, unless cause is shown to the contrary, strike the name of such company off the register.

(3) The registrar may at any subsequent time, if satisfied that the company is carrying on business in Saskatchewan, restore the name of the company to the register.

R.S.S. 1940, c.113, s.218; R.S.S. 1953, c.124, s.219.

#### **Company struck off carrying on business**

**220** Any company, except a Dominion company, the name of which has been removed from the register and which while unregistered carries on business in Saskatchewan, and any company, firm, broker or other person carrying on business as a representative or on behalf of such unregistered company, is guilty of an offence and liable on summary conviction to a fine not exceeding \$50 for every day on which such business is carried on, and proof that the company is registered shall be at all times upon the accused.

R.S.S. 1940, c.113, s.219; R.S.S. 1953, c.124, s.220.

#### **Adoption of name of defaulting company**

**221(1)** In every case where the name of a company has been struck off the register, if, at the expiration of one year from the date on which the removal took place, such name has not been restored and no application to the court for restoration is pending, the registrar may allow another company to be incorporated with the same name or to adopt it under subsection (1) of section 48.

(2) In the event of an application to the court under section 215 by a company the name of which has been so taken or adopted, the court, upon hearing the registrar and the applicant, may, if satisfied:

(a) that the company was at the time of striking off actually carrying on business or in operation; and

(b) that it is just and proper to do so;

change the name of the applicant company and order that it be re-registered under its new name on payment of such fees as are prescribed in the regulations for that purpose.



(3) The registrar shall forthwith publish in the *Gazette* a notice that the name of the company has been changed and that the company has been re-registered under its new name, giving such name, and thereupon the company shall be deemed to have continued in existence as if its name had never been removed from the register.

(4) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against it, and any legal proceedings that might have been continued or commenced against it under the former name may be continued or commenced against it under the new name.

R.S.S. 1940, c.113, s.220; R.S.S. 1953, c.124, s.221.

## BANKRUPTCY AND INSOLVENCY

### Liability of members under certain Acts

**222** For the purposes of the *Bankruptcy Act (Canada)* and the *Winding-up Act (Canada)* the following rules apply:

1 Every present and past member shall, subject to the provisions of this Act, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges, and expenses of the bankruptcy or winding-up, as the case may be, and for the adjustment of the rights of the members among themselves, with the qualifications following, that is to say;

(a) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the bankruptcy or winding-up, as the case may be;

(b) a past member shall not be liable to contribute in respect of any debt or liability of the company contracted after he ceased to be a member;

(c) a past member shall not be liable to contribute unless it appears to the court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of the *Bankruptcy Act* or the *Winding-up Act*, as the case may be;

(d) a past member shall not be liable beyond the amount prescribed by section 12;

(e) a sum due to any member, in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company, payable to that member in a case of competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustment of the rights of the members among themselves;

(f) if a member dies either before or after the commencement of the bankruptcy or winding-up, his personal representative and his heirs and devisees shall be liable in due course of administration to contribute to the assets of the company in discharge of his liability.

(2) If the personal representatives make default in paying any money ordered to be paid by them, proceedings may be taken for administering the personal and real estates of the deceased member, or either of them, and of compelling payment thereof of the money due.

R.S.S. 1940, c.113, s.221; R.S.S. 1953, c.124, s.222.

**Reports of proceedings under *Bankruptcy Act* or *Winding-up Act***

**223** Where proceedings in respect of a company have been taken under the *Bankruptcy Act* or the *Winding-up Act*, every local registrar of the court shall furnish to the registrar at his request such report of the proceedings as the registrar may require.

R.S.S. 1940, c.113, s.222; R.S.S. 1953, c.124, s.223.

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**PART VIII**
**Miscellaneous****PROVISIONS WITH RESPECT TO NAMES****Use of “Limited” or “Ltd.”**

**224(1)** Every company incorporated under this Act or under any other Act of the province with limited liability, shall use the word “Limited” or the abbreviation “Ltd.” as the last word of its name in all notices, advertisements and other official publications, in all orders for money or goods, letter heads, bills of parcels, invoices, receipts, negotiable instruments and other documents of any kind whatever, and in all signs.

(2) A company which violates the provisions of this section is guilty of an offence.

R.S.S. 1940, c.113, s.223; R.S.S. 1953, c.124, s.224.

**Improper use of word “Limited”, etc.**

**225** No person or persons shall trade or carry on business in Saskatchewan under any name or title of which “Limited” or “Ltd.”, “Limited liability”, or “Limited, non-personal liability” is or are the last word or words, unless duly incorporated with limited liability and entitled to use such word or words; and a person so trading or carrying on business while not so incorporated and entitled is guilty of an offence and liable on summary conviction to a fine not exceeding \$25 for every day upon which that name or title has been used.

R.S.S. 1940, c.113, s.224; R.S.S. 1953, c.124, s.225.

**Restrictions on names and reservation of names**

**226(1)** A company shall not be incorporated, and an extra-provincial company shall not be registered, by a name identical with that by which a company, society, association, firm or extra-provincial company in existence is carrying on business or is incorporated or registered in the province, or so nearly resembling the same as in the opinion of the registrar to be calculated to deceive, except where the company, society, association or firm is in the course of being dissolved and signifies its consent in such manner as the registrar requires, or the extra-provincial company has ceased, or is deemed to have ceased, to carry on business in the province.

(2) Where a company or an extra-provincial company has been duly struck off the register otherwise than at its own request, it shall, for a period of one year from the date when it was struck off, be deemed, for the purposes of subsection (1), to be a company in existence and carrying on business.

(3) If a company or extra-provincial company is, through inadvertence or otherwise, incorporated or registered by a name identical with that by which a firm or another company, society, association or extra-provincial company has previously been carrying on business or been incorporated, licensed or registered in the province, or by a name so nearly resembling the same as to be calculated to deceive, the first mentioned company shall, if the registrar so directs within one year of its being incorporated or registered by that name, change its name by ordinary resolution, or, in the case of an extra-provincial company, in accordance with its charter and regulations, and if the company fails to change its name within two months after being so directed, the registrar may change its name to any name he deems to be unobjectionable.

(4) Upon the filing with the registrar of the resolution, or, in the case of an extra-provincial company, of the amendments to its charter and regulations, or upon the change of name being made by the registrar, the registrar shall enter the new name on the register in the place of the former name, issue under his seal of office a certificate showing the change of name and publish a notice of the change of name in the *Gazette*.

(5) If the company or any member thereof feels aggrieved by the company having been directed by the registrar to change its name or by the registrar having changed its name, the company or member may, within sixty days after the direction by the registrar was given or after the date of publication of the notice of the change of name in the *Gazette*, as the case may be, apply to the court upon notice to the registrar, and the court, if satisfied that it is just to do so, may order that the name of the company shall not be changed, or that its former name be restored to the register, as the case may require, and the court may by the order give such directions and make such provisions as it deems just for placing the company and all persons in the same position, as nearly as possible, as if such direction had not been given or as if the name of the company had not been changed, as the case may be; and when the former name of the company is so restored to the register the registrar shall under his seal of office issue a certificate showing the change of name and publish a notice of the change of name in the *Gazette*.

(6) The change of name shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against the company, and any legal proceedings that might have been continued or commenced by or against it by its former name may be continued or commenced by or against it by the new name.

(7) The registrar may, on request, reserve a name for an intended company, or for a company about to change its name, or the name of an extra-provincial company intending to apply for registration or about to change its name, for a period of twenty-one days or such further period as he may allow, not exceeding in the whole forty days.

(8) This section shall be construed to form part of any Act by or under which a company, society or association may be incorporated in the province, and shall not apply to a Dominion company.

## LEGAL PROCEEDINGS

**When plaintiff company gives security for costs**

**227** Where a company or extra-provincial company is plaintiff in an action, suit or other legal proceedings any judge having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that, if the defendant be successful in his defence, the assets of the company or extra-provincial company will be insufficient to pay his costs, require sufficient security to be given for such costs and may stay all proceedings until such security is given, and may order that in default of such security being given within the time limited by the order the action, suit or proceeding shall stand dismissed with costs without further order unless otherwise ordered upon special application for that purpose.

R.S.S. 1940, c.113, s.226; R.S.S. 1953, c.124, s.227.

**Declaration of action against member**

**228** In any action or suit brought by a company or extra-provincial company under this Act against a member to recover a call or other moneys due from such member in his character of member, it shall not be necessary to set forth the special matter, but it shall be sufficient to allege that the defendant is a member of the company or extra-provincial company and is indebted to the company in respect of a call made or other money due whereby a right of action or suit has accrued to the company.

R.S.S. 1940, c.113, s.227; R.S.S. 1953, c.124, s.228.

**Corporate name and proof of memorandum, etc., in actions and proceedings**

**229** In any action or proceeding it shall not be necessary to set forth the mode of incorporation of the company otherwise than by mention of it under its corporate name, and the memorandum and articles of the company, or a copy thereof, certified under the hand and seal of the registrar, or any copy of the *Gazette* containing such memorandum and articles, shall be conclusive proof of every matter and thing set forth therein.

R.S.S. 1940, c.113, s.228; R.S.S. 1953, c.124, s.229.

## SERVICE AND AUTHENTICATION OF DOCUMENTS

**Service of documents on company**

**230** A document may be served on a company by leaving it at or sending it by registered post to the registered office of the company, or by serving any director, manager or other officer of the company.

R.S.S. 1940, c.113, s.229; R.S.S. 1953, c.124, s.230.

**Authentication of documents by company**

**231** A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorized officer of the company, or by the solicitor for the company, and need not be under its common seal.

R.S.S. 1940, c.113, s.230; R.S.S. 1953, c.124, s.231.

## ARBITRATION

**Arbitration between companies and others**

**232(1)** A company may, by writing under its common seal, agree to refer and may refer to arbitration in accordance with *The Arbitration Act* any existing or future difference, question or other matter whatever between itself and any other company or person.

(2) Parties to the arbitration may delegate to the arbitrators power to settle any terms or to determine any matter capable of being lawfully settled or determined by the parties themselves or, in the case of a company, by its directors or other managing body.

(3) All the provisions of *The Arbitration Act* apply to arbitration between companies and persons pursuant to this Act.

R.S.S. 1940, c.113, s.231; R.S.S. 1953, c.124,  
s.232.

## RECEIVERS AND MANAGERS OF PROPERTY OF COMPANY

**Notice to registrar where receiver or manager appointed**

**233(1)** Where a receiver or manager of the property of a company is appointed by the court or takes possession of its property, or is appointed a receiver or manager under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of taking possession or the appointment under the powers contained in the instrument, as the case may be, file with the registrar an office copy of the order or a notice of his having taken possession or of his appointment, and the registrar shall enter the fact in his books relating to the company.

(2) A person who makes default in complying with any requirement of this section is guilty of an offence.

R.S.S. 1940, c.113, s.232; R.S.S. 1953, c.124,  
s.233.

**Preferential payment of wages and salary of certain employees**

**234(1)** Where either a receiver is appointed on behalf of the holders of any debenture of a company secured by a floating charge, or possession is taken by or on behalf of those debenture holders of any property comprised in or subject to the charge, there shall be paid out of any assets coming to the hands of the receiver or other persons taking possession as aforesaid, in priority to any claim for principal or interest in respect of the debentures:

(a) the wages or salary of all persons, other than directors, in the employment of the company at the time of the appointment of the receiver or of possession being taken, as aforesaid, or within one month before that date, not exceeding three months' wages or salary;

(b) all assessments due at that date by the company to the Workmen's Compensation Board under *The Workmen's Compensation (Accident Fund) Act*.

(2) Payments made under this section shall be recouped as far as may be out of the assets of the company available for payment of general creditors.

R.S.S. 1940, c.113, s.233; R.S.S. 1953, c.124,  
s.234.

**Periodical abstracts of receipts and payments to be filed by receiver**

**235(1)** Every receiver or manager of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, and every person who has taken possession under the powers contained in any instrument, shall:

(a) once in every half year while he remains in possession, and also on ceasing to act as receiver or manager or on giving up possession, file with the registrar, within fourteen days after the close of the period to which the abstract relates, an abstract of his receipts and payments during the period to which the abstract relates; and

(b) within fourteen days of his ceasing to act as receiver or manager or of his giving up possession, file with the registrar notice to that effect, with a like abstract made up to the date when he ceased to act or gave up possession;

and the registrar shall enter short particulars of the same in his books relating to the company.

(2) A receiver, manager or person who makes default in complying with the provisions of this section is guilty of an offence.

R.S.S. 1940, c.113, s.234; R.S.S. 1953, c.124,  
s.235.

**OFFENCES AND PENALTIES****Penalty for false statement and circulating misleading documents or information**

**236** If a company:

(a) in any return, report, certificate, balance sheet or other document required by or for the purposes of this Act, wilfully makes a statement false in any material particular, knowing it to be false; or

(b) publishes, issues or circulates an advertisement, letterhead, postal card, account or other document which states the subscribed capital of the company at a sum larger than the amount actually and in good faith subscribed, or which contains an untrue statement as to the incorporation, financial standing or any other matter connected with the company likely to deceive or mislead persons dealing with it or with its officials, employees or agents;

the company is guilty of an offence.

R.S.S. 1940, c.113, s.235; R.S.S. 1953, c.124,  
s.236.

**Penalty for offences against Act**

**237(1)** Every director, manager, secretary or other officer of a company or an extra-provincial company who knowingly and wilfully authorizes or permits any act, default or refusal, in respect of which the company is by this Act declared to be guilty of an offence, is also guilty of an offence.

(2) Every company, extra-provincial company or person guilty of an offence under this Act for which no other penalty is imposed is liable on summary conviction to a fine of not less than \$10 nor more than \$500.

(3) Each day's continuance of any act, default, or refusal which is by this Act declared to be an offence shall constitute a new and distinct offence.

R.S.S. 1940, c.113, s.236; R.S.S. 1953, c.124, s.237.

#### **Appointment of registrar and deputy**

**238(1)** There may be appointed an officer to be called the Registrar of Joint Stock Companies who shall, subject to the direction and control of the Provincial Secretary, be responsible for the administration of this Act.

(2) There may also be appointed an officer to be called the Deputy Registrar of Joint Stock Companies, who shall act as registrar during the absence or inability of the registrar and shall perform such other duties as are assigned to him by this Act, by the Lieutenant Governor in Council, by the Provincial Secretary or by the registrar.

1953, c.41, s.4; R.S.S. 1953, c.124, s.238.

#### **Seal**

**239** The Lieutenant Governor in Council may prescribe a seal for use by the registrar in the performance of his duties. The seal at present in use by him shall continue to be his Seal of office until another is prescribed.

R.S.S. 1940, c.113, s.238; R.S.S. 1953, c.124, s.239.

#### **Validity of documents issued by registrar**

**240** All documents issued by the registrar under his hand or sealed with the registrar's seal of office shall be received in evidence and deemed to have been so issued or sealed unless the contrary is shown, and it shall not be necessary to prove the handwriting, seal of office, or official position of the person so signing or sealing.

R.S.S. 1940, c.113, s.239; R.S.S. 1953, c.124, s.240.

#### **Registrar to keep copies of certificates issued by him**

**241** The registrar shall make and keep a copy of every certificate issued by him under this Act.

R.S.S. 1940, c.113, s.240; R.S.S. 1953, c.124, s.241.

#### **Inspection and copies of documents**

**242(1)** On payment of the proper fee a person may:

- (a) inspect the documents kept, filed or registered by the registrar;
- (b) require a copy or extract of any such document or part thereof;
- (c) require any such copy or extract to be certified by the registrar as a true copy or extract.

(2) A copy of or extract from any such document certified to be a true copy by the registrar, under his hand and seal of office, shall, in all legal proceedings, be admissible in evidence as of equal validity with the original document.

R.S.S. 1940, c.113, s.241; R.S.S. 1953, c.124, s.242.



## FEES

**Power to prescribe fees**

**243(1)** The Lieutenant Governor in Council may fix the fees payable and other payments to be made by all companies under this Act:

Provided that the fees payable by extra-provincial companies upon registration or otherwise shall not exceed those payable by provincial companies.

(2) Where an extra-provincial company having a nominal capital exceeding \$2,000,000 proves to the satisfaction of the registrar that it is actually carrying on an established business beyond Saskatchewan in which at least fifty per cent of its subscribed capital is invested, the fee payable on registration shall not exceed \$540.

R.S.S. 1940, c.113, s.242; R.S.S. 1953, c.124, s.24.

## RULES AND REGULATIONS

**Power to make regulations**

**244** Lieutenant Governor in Council may make rules and regulations for carrying out the purposes of this Act, including matters in respect whereof no express or only partial or imperfect provision has been made. All such rules and regulations shall be published in the *Gazette*.

R.S.S. 1940, c.113, s.243; R.S.S. 1953, c.124, s.244.

## EXTENSION OF ACT

**Incorporation of this Act with others**

**245** The provisions of this Act shall be and are hereby incorporated and shall be deemed always to have been incorporated in any Act creating or incorporating a company with a capital divided into shares, unless it is expressly declared to the contrary in the Act of incorporation, and except in so far as they may be inconsistent with the express terms thereof, or, in the case of railways, with the provisions of *The Saskatchewan Railway Act*; in the case of telephones with the provisions of *The Rural Telephone Act*; in the case of the manufacture of dairy products with the provisions of *The Dairy Products Act*; in the case of trust companies with the provisions of *The Trust Companies Act*, and in the case of loan companies with the provisions of *The Loan Companies Act*.

R.S.S. 1940, c.113, s.244; R.S.S. 1953, c.124, s.245.

**Not to apply to Hudson's Bay Company**

**246** This Act does not apply to the corporation known as The Governor and Company of Adventurers of England trading into Hudson's Bay.

R.S.S. 1940, c.113, s.245; R.S.S. 1953, c.124, s.246.

**Mention of repealed Acts in documents**

**247** Where any provision of *The Companies Act*, chapter 93 of *The Revised Statutes of Saskatchewan, 1940*, or any amendment thereto, or of *The Companies Act*, chapter 21 of the statutes of 1933 or any amendment thereto, or of *The Companies Act*, chapter 113 of *The Revised Statutes of Saskatchewan, 1940* or any amendments thereto, is mentioned or referred to in any document, that document shall be read as if the corresponding provision, if any, of this Act were therein mentioned or referred to and substituted therefor.

R.S.S. 1940, c.113, s.246; R.S.S. 1953, c.124, s.247.

**Articles to remain in force**

**248** The articles of all existing company shall, in so far as they are not contrary to any express provision of this Act, remain in force until altered or rescinded.

R.S.S. 1940, c.113, s.247; R.S.S. 1953, c.124, s.248.

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## SCHEDULES

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### FIRST SCHEDULE

#### TABLE A

(Sections 18 and 174)

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FOR HISTORICAL REFERENCE ONLY

## REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES

### PRELIMINARY

1 In these regulations:

- (a) “the Act” means *The Companies Act*; and
- (b) when any provision of the Act is referred to, the reference is to that provision as modified by any statute for the time being in force.

#### *Shares*

2 Subject to the provisions, if any, in that behalf of the memorandum of association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the company is liable to be redeemed.

3 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings apply *mutatis mutandis*, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll.

4 Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

5 If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding twenty-five cents, and on such terms, if any, as to evidence and indemnity as the directors think fit.

6 No part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares, but nothing in this regulation shall prohibit transactions mentioned in the proviso to subsection (J), section 150 of the Act.

#### *Lien*

7 The company shall have a lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall have a lien on all shares (other than fully paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien, if any, on a share shall extend to all dividends payable thereon.

8 The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists, is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

9 For giving effect to any such sale the directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be effected by any irregularity or in validity in the proceedings in reference to the sale.

10 The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

*Calls on Shares*

11 The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the company at the time or times so specified the amount called on his shares.

12 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

13 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent per annum from the day appointed for the payment thereof to the time of the actual payment, but the directors shall be at liberty to waive payment of that interest wholly or in part.

14 The provisions of these regulations as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of a premium, as if the same had become payable by virtue of a call duly made and notified.

15 The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the time of payment.

16 The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent) as may be agreed upon between the member paying the sum in advance and the directors.

*Transfer and Transmission of Shares*

17 The instrument of transfer of any share in the company shall be executed both by the transferor and the transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

18 Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

I, *A.B.*, of \_\_\_\_\_, in consideration of the sum of \_\_\_\_\_ dollars paid to me by *C.D.*, of \_\_\_\_\_ (hereinafter called "the said transferee") do hereby transfer to the said transferee the share (or \_\_\_\_\_ shares) held by me in the undertaking called the \_\_\_\_\_ Company, Limited, to hold unto the said transferee, subject to the several conditions on which I hold the same; and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands the \_\_\_\_\_ day of \_\_\_\_\_.

Witness to the signatures of, etc.

19 The directors may decline to register any transfer of shares, not being fully paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless:

- (a) a fee not exceeding fifty cents is paid to the company in respect thereof; and
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register any transfer of shares, not being fully paid shares, they shall, within one month after the date on which the transfer was lodged with the company, send to the transferee notice of the refusal.

20 The legal personal representatives of a deceased sole holder of a share shall be the only persons recognized by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the legal personal representatives of a deceased sole survivor, shall be the only persons recognized by the company as having any tile to the share.

21 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

22 A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

#### *Forfeiture of Shares*

23 If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

24 The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

25 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

26 A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

27 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receives payment in full of the nominal amount of the shares.

28 A statutory declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration, if any, given for the share on the sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

29 The provisions of these regulations as to forfeiture apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### *Alteration of Capital*

30 The directors may, with the sanction of a special resolution of the company, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

31 Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting the time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

32 The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture, and otherwise as the shares in the original share capital.

#### *General Meetings*

33 The statutory general meeting of the company shall be held within the period required by section 41 of the Act.



34 Subject to subsection (2) of section 169 of the Act, the first general meeting shall be held within eighteen months of the date of incorporation, and thereafter an annual general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding annual general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs and at such place, as the directors shall appoint.

35 The annual general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary meetings.

36 The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition or in default, may be convened by such requisitionists, as provided by the Act. If at any time there are not sufficient directors capable of acting to form a quorum, any director, or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

37 Not less than fourteen days' notice of a general meeting at which a special resolution is to be proposed, and not less than seven days' notice of any other general meeting (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day, and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the company, entitled to receive such notices from the company; but the non-receipt of the notice by any member shall not invalidate the proceedings at any general meeting.

38 All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

39 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, in the case of a private company two members and in the case of any other company three members personally present shall be a quorum.

40 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

41 The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

42 If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.



43 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

44 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least two members, and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against, that resolution.

45 If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

46 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

47 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

#### *Votes of Members*

48 On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each share of which he is a holder.

49 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

50 A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other person in the nature of a committee appointed by that court, and any such committee or other person may, on a poll, vote by proxy.

51 No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

52 On a poll votes may be given either personally or by proxy.

53 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or he has been appointed to act at that meeting as proxy for a corporation.

54 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

55 An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve:

\_\_\_\_\_ Company, Limited.

I, \_\_\_\_\_, of \_\_\_\_\_ in the \_\_\_\_\_ of \_\_\_\_\_, being a member of the \_\_\_\_\_ Company, Limited, hereby appoint \_\_\_\_\_, of \_\_\_\_\_, as my proxy to vote for me and on my behalf at the ordinary (or extraordinary, as the case may be) general meeting of the company to be held on the \_\_\_\_\_ day of \_\_\_\_\_.

Signed this \_\_\_\_\_ day of \_\_\_\_\_.

56 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

#### *Corporations Acting by Representatives at Meetings*

57 Any corporation which is a member of the company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company or of any class of members of the company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

#### *Directors*

58 The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

59 The remuneration of the directors shall from time to time be determined by the company in general meeting.

60 The qualification of a director shall be the holding of at least one share in the company.

#### *Powers and Duties of Directors*

61 The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not, by the Act, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

62 The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits or partly in one way and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors; but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

63 The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purpose of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

64 The directors shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committee of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

#### *The Seal*

65 The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of a director and of the secretary or such other person as the directors may appoint for the purpose; and that director and the secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### *Disqualification of Directors*

66 The office of director shall be vacated, if the director:

- (a) ceases to be a director by virtue of section 104 of the Act; or
- (b) without the consent of the company in general meeting, holds any other office of profit under the company except that of managing director or manager; or
- (c) becomes bankrupt; or
- (d) is found a lunatic or becomes of unsound mind; or
- (e) is concerned or participates in the profits of any contract with the company; Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with or done any work for the company of which he is director; but a director shall not vote in respect of any such contract or work, and if he does so vote his vote shall not be counted.

#### *Rotation of Directors*

67 At the first ordinary meeting of the company the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

68 The directors to retire in every year shall be those who have been longest in office since their election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

69 A retiring director shall be eligible for re-election.

70 The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

71 If at any meeting at which an election of directors ought to take place the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors, or such of them as have not had their places filled up, shall be deemed to have been re-elected at the adjourned meeting.

72 The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number are to go out of office.

73 Any casual vacancy occurring in the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

74 The directors shall have power at any time, and from time to time, to appoint a person as an additional director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

75 The company may by special resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

#### *Proceedings of Directors*

76 The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.

77 The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

78 The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

79 The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

80 The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; and committees so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.

81 A committee may elect a chairman of their meetings; if no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

82 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.

83 All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

#### *Dividends and Reserve*

84 The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

85 The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

86 No dividends shall be paid otherwise than out of profits.

87 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares; but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share.

88 The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.

89 If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividends payable on the share.

90 Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

91 No dividend shall bear interest against the company.

#### *Audit*

92 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

#### *Notices*

93 A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in Saskatchewan) to the address, if any, in Saskatchewan, supplied by him to the company for the giving of notices to him.

94 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a meeting at the expiration of twenty-four hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

95 If a member has no registered address in Saskatchewan and has not supplied to the company an address in Saskatchewan for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company, shall be deemed to be duly given to him on the day on which the advertisement appears.

96 A notice may be given by the company to the joint holders of a share by giving notice to the joint holder named first in the register in respect of the share.

97 A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

98 Notice of every general meeting shall be given in some manner hereinbefore authorized to (a) every member of the company (including bearers of share warrants) except those members who (having no registered address in Saskatchewan) have not supplied to the company an address in Saskatchewan for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting. No other person shall be entitled to receive notices of general meetings.

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## SECOND SCHEDULE

### FORM A

(Sections 5 and 69)

#### MEMORANDUM OF ASSOCIATION

- 1 The name of the company is “\_\_\_\_\_, Limited” (or Ltd.)
- 2 The registered office of the company will be situated in \_\_\_\_\_.
- 3 The objects for which the company is established are \_\_\_\_\_.
- 4 The powers authorized by clauses (*here specify the clause*) of section 30 of *The Companies Act* are hereby excluded.
- 5 The liability of the members is limited.
- 6 The authorized capital of the company is \_\_\_\_\_ dollars, divided into shares with a nominal or par value of \_\_\_\_\_ each.
- 7 The company is (also) authorized to issue \_\_\_\_\_ shares without nominal or par value, and the capital of the company shall with respect to those shares be at least equal to the aggregate amount paid to the company on or for such of those shares as are issued, together with such amounts as may from time to time be transferred by ordinary resolution to such capital.
- 8 The maximum price or consideration at or for which the shares without nominal or par value may be sold is \_\_\_\_\_.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed in to a company in pursuance of this memorandum of association, and we respectively agree to take the number (and kind) (and class) of shares in the company set opposite our respective names.



Full names, addresses and occupations of subscribers	Number [and kind] [and class] of shares taken by each subscriber
Total shares taken.....	_____

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Witness to the above signatures:

*(Full name, address and occupation.)*

*Note:—*(1) Omit paragraph 4 if no such powers are excluded.

(2) Omit paragraph 6 if all shares are without nominal or par value, and paragraphs 7 and 8 if all shares have nominal or par value.

If the shares are of both kinds, combine the two paragraphs.

(3) As to the effect of paragraph 8, which may be omitted, see section 16 (2).

\_\_\_\_\_

## FORM B

*(Section 5)*

### MEMORANDUM OF ASSOCIATION

1 The name of the company is “\_\_\_\_\_, Limited (or Ltd.) (Non-Personal Liability)”.

2 The registered office of the company will be situated in \_\_\_\_\_.

3 The object for which the company is established are the prospecting for, locating, acquiring, managing, developing, working and selling mines, mineral claim and mining properties, and the winning, getting, treating, refining and marketing of minerals therefrom and the exercise of such powers as are incidental to or conducive to the attainment of the above objects, that is to say:

*(here set out the ancillary powers desired.)*

4 The liability of the members is limited, and no personal liability shall attach to any member.

5 The authorized capital of the company is \_\_\_\_\_ dollars, divided into \_\_\_\_\_ shares with a nominal or par value of \_\_\_\_\_ each.

6 The company is (also) authorized to issue shares without nominal or par value, and the capital of the company shall with respect to those shares be at least equal to the aggregate amount paid to the company on or for such of those shares as are issued, together with such amounts as may from time to time be transferred by ordinary resolution to such capital.

7 The maximum price or consideration at or for which the shares without nominal or par value may be sold is

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number (and kind) (and class) of shares in the company set opposite our respective names.

Full names, addresses and occupations of subscribers	Number [and kind] [and class] of shares taken by each subscriber
Total shares taken.....	

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Witness to the above signatures:

*(Full name, address and occupation.)*

(1) Omit paragraph 5 if all shares are without nominal or par value, and paragraphs 6 and 7 if all shares have nominal or par value.

If the shares are of both kinds, combine the paragraphs.

(2) As to the effect of paragraph 7, which may be omitted, *see* section 16 (2).

## FORM C

(Sections 35, 72, 125 and 192)

STATEMENT IN LIEU OF PROSPECTUS OF \_\_\_\_\_, LIMITED

Information required to be stated	Statement
(1) Particulars of the business which the company proposes to carry on, and the place where the business will be carried on.	
(2) Number of (shares) (debentures) which the company proposes to issue (a) for cash (b) for other consideration, for the purpose of carrying out the objects specified under paragraph (1).	
(3) Amount or estimated amount, if any, which has been or will be paid in cash, shares, debentures or otherwise for: IF ESTIMATED, (a) preliminary expenses; SO STATE (b) services rendered or to be rendered to the company; (c) as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure, subscriptions for any shares mentioned in paragraph (2), or allowed or to be allowed as discount in respect of any debentures (or, in the case of a specially limited company, shares) mentioned in paragraph (2).	
(4) Particulars of any property purchased or acquired, or proposed to be purchased or acquired, by the company, and the title or interest therein acquired or to be acquired by the company.	
(5) Full name, address and occupation of any vendor* of property to the company, and, in the case of a promoter, the amount paid by him for the property, within the last two preceding years, and the amount (specifying separately the amount, if any, for goodwill) paid or payable in cash, shares, debentures or otherwise to him for the property.  *SEE SECTION 116 (5) AND (7) OF THE ACT  Where there is more than one separate vendor or the company is a sub-purchaser, the amount so paid or payable, to each vendor: Provided that when the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors.	
(6) Where debentures are offered for subscription, particulars of the security which has been or will be created for those debentures, specifying the property (if any) comprised in the security, and the nature of the company's title to such property.	
(7) Particulars of any services under paragraph (3).	
(8) If the information in not stated above, the amount paid or payable to any promoter, with his full name and address,, and the consideration for any such payment, and the amount in cash which he intends to subscribe or has subscribed for (shares in) (debentures of) the company or otherwise to contribute.	

## COMPANIES

c. 124

IF PROPOSED DIRECTORS, SO STATE	(9) Full names, addresses and occupations of the directors or proposed directors of the company, and the remuneration paid or payable to them.	
	(10) The amounts in cash which each of the said directors has subscribed or intends to subscribe for (shares in) (debentures of) the company or otherwise contribute.	
IF PROPOSED DIRECTORS, SO STATE	(11) Full particulars of the nature and extent of the interest of every director or proposed director in the promotion of in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all amounts paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become or to qualify him as a director, or otherwise, for services rendered by him or by the firm in connection with the promotion or formation of the company.	
	(12) Names and addresses of the auditors of the company, if any.	
	(13) Dates of and parties to every material contract, other than contracts entered into in the ordinary course of the business intended to be carried on by the company, or entered into more than two years before the filing of this statement.	
	(14) Time and place at which the contracts or copies thereof may be inspected.	

We, the undersigned directors, hereby certify that the foregoing statement is to the best of our knowledge true and complete.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(Signatures) \_\_\_\_\_

\_\_\_\_\_

Witness: \_\_\_\_\_

(Name, address and occupation)

*Note:*—The statement must be signed in the presence of a witness by every person named as a director or proposed director or by his agent authorized in writing. This form must be altered according as shares or debentures are to be issued.

\_\_\_\_\_

## FORM D

(Sections 38 and 116)

## STATUTORY DECLARATION FOR CERTIFICATE TO COMMENCE BUSINESS

CANADA:  
PROVINCE OF SASKATCHEWAN  
TO WIT



In the matter of *The Companies Act*,

and

\_\_\_\_\_ Limited (or Ltd.).

I, \_\_\_\_\_, of \_\_\_\_\_, in the province of, do solemnly declare as follows:

1 I am the secretary (*or* a duly appointed director) of the \_\_\_\_\_, Limited (*or* Ltd.) hereinafter referred to as “the company”.

2 The minimum subscription named in the prospectus of the company dated the day of \_\_\_\_\_ has been subscribed.

3 The sum payable on application for each share (*or* debenture) was not less than five per cent of the nominal amount or par value of each share (*or* debenture), (*or, if the shares are without nominal or par value, of the price at which the share was sold*) and has been paid to and received by the company.

STRIKE OUT CLAUSE 4 IF  
MINIMUM SUBSCRIPTION  
ALREADY SUBSCRIBED  
WHEN PROSPECTUS  
WAS FILED

4 All money so paid to and received by the company was deposited to the credit of the company as trustee in the branch of the \_\_\_\_\_ bank, situated at \_\_\_\_\_.

5 A copy of the said prospectus was furnished to every person who subscribed for any share (*or* debenture) offered by the said prospectus.

6 No allotment of any share of (*or* debenture of) the company has yet been made.

OMIT CLAUSE 7 WHERE  
DEBENTURES ONLY  
ARE OFFERED

7 Each of the directors has paid to the company on each of the qualification shares, which a director of the company is required to take, a proportion equal to the proportion paid on application for each share as aforesaid.

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

Declared before me by the above-named  
declarant at \_\_\_\_\_ this  
\_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

*Note:—This form must be altered according as subscriptions for shares or debentures have been taken*

## COMPANIES

c. 124

FORM E  
(Section 48)

## NOTICE OF APPLICATION FOR CHANGE OF NAME

Notice is hereby given that (*name of company*), whose registered office is situated (*state full address*), and which carries on its business at (*state locality*), intends to apply to the Registrar of Joint Stock Companies for approval of a change of its name to the name (*state new name*) at the expiration of one month from the date of this notice.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Relationship to company*

\_\_\_\_\_

FORM F  
(Section 97)

## NOTICE OF REGISTERED OFFICE

Notice is hereby given that the \_\_\_\_\_ registered office of the Limited, (*or Ltd.*) is situated at \_\_\_\_\_ in Province of Saskatchewan.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Relationship to company*

\_\_\_\_\_

FORM G  
(Section 97)

## NOTICE OF CHANGE IN REGISTERED OFFICE

Notice is hereby given that the situation of the registered office of the Limited, (*or Ltd.*) has been changed to \_\_\_\_\_, in Province of Saskatchewan.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Relationship to company*

\_\_\_\_\_

FORM H  
(Section 113)

NOTICE OF APPOINTMENT OF DIRECTORS

Notice is hereby given that on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the following persons were appointed directors of the \_\_\_\_\_ Limited, (or Ltd.) namely:

*Full name, address and occupation.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Relationship to company*

*Note:*—This form can be combined with Form I where a new director is appointed before the time for filing a notice in Form I has expired.

FORM I  
(Section 113)

NOTICE OF CHANGE IN DIRECTORS

Notice is hereby given that on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the following persons ceased to hold office as director of the \_\_\_\_\_ Limited, (or Ltd.) namely:

*Full name, address and occupation.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Relationship to company*



FORM J  
(Section 128)

RETURN OR SHARES ALLOTTED BY

Date of Allotment	Full name, address and occupation of allottee	Number of shares allotted for cash	Number of shares allotted for other consideration, such as property or services	Class of share—"Preference", "Ordinary", etc.	Nominal amount or par value of a single share, or, if without nominal or par value, price at which share sold	Amount paid in cash, or treated as paid up otherwise than in cash, on each share	Amount or rate of commission or, in the case of a specially limited company, discount paid or allowed or agreed to be paid or allowed. (State which, and if none, so state.)

If the return includes shares allotted for consideration other than cash, complete the return as follows:

- (a) A contract in writing dated \_\_\_\_\_ is filed herewith relating to \_\_\_\_\_ shares allotted to \_\_\_\_\_ as above: or
- (b) Particulars in Form K are filed herewith relating to \_\_\_\_\_ shares allotted to \_\_\_\_\_ as above, there being no contract in writing.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Relationship to company

FORM K  
(Section 128)

PARTICULARS OF A CONTRACT NOT REDUCED TO WRITING, MADE BY \_\_\_\_\_, LIMITED (or LTD.)

Full name of allottee	Number of shares allotted.	Consideration for such shares, (State fully and attach authenticated copies of letters or resolution relating to the transaction.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Relationship to company

FORM L  
(Section 172)

ANNUAL RETURN OF THE \_\_\_\_\_ COMPANY, LIMITED (or LTD.)

made up to the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ (being the day after the date of the annual general meeting in 19\_\_\_\_).

*Summary of Capital and Shares*

<sup>1</sup>The authorized capital is \$\_\_\_\_\_ divided into \_\_\_\_\_ shares of \$\_\_\_\_\_ each.  
\_\_\_\_\_ shares of \$\_\_\_\_\_ each.

<sup>2</sup>The number of shares authorized is \_\_\_\_\_.

<sup>3</sup>Total number of shares taken up to the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ (which number must agree with the total shown in the list as held by existing members).

Number of shares issued subject to payment wholly in cash.....

Number of shares issued as fully paid up otherwise than in cash .....

Number of shares issued as partly paid up to the extent of \_\_\_\_\_ per share otherwise than in cash .....

<sup>4</sup>There has been called up on each of \_\_\_\_\_ shares, \$\_\_\_\_\_.

<sup>4</sup>There has been called up on each of \_\_\_\_\_ shares, \$\_\_\_\_\_.

<sup>4</sup>There has been called up on each of \_\_\_\_\_ shares, \$\_\_\_\_\_.

<sup>5</sup>Total amount of calls received, including payments on application and allotment..... \$\_\_\_\_\_.

Total amount (if any) agreed to be considered as paid on \_\_\_\_\_ shares which have been issued as fully paid up otherwise than in cash.....\$\_\_\_\_\_.

Total amount (if any) agreed to be considered as paid on \_\_\_\_\_ shares which have been issued as partly paid up to the extent of \_\_\_\_\_ per share .....\$\_\_\_\_\_.

Total amount of calls unpaid..... \$\_\_\_\_\_.

Total amount (if any) of sums paid by way of commission in respect of shares or debentures or allowed by way of discount in respect of any debentures or, in the case of a specially limited company, of any shares since date of last return or (in the case of a first return) since the date of incorporation..... \$\_\_\_\_\_.

<sup>6</sup>Total amount (if any) paid on shares forfeited..... \$\_\_\_\_\_.

Total amount of the indebtedness of the company in respect of all mortgages registered or required to be registered..... \$\_\_\_\_\_.

Annexed hereto is a copy of the company's balance sheet made up to the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, as required by section 171 of the Act.

<sup>1</sup>Authorized capital refers to capital in shares with nominal or par value.

<sup>2</sup>Number of shares authorized refers to shares without nominal or par value.

<sup>1 2 3</sup>When there are shares of different kinds, classes or amounts, state the particulars separately.

<sup>4</sup>Where various amounts have been called or there are shares of different classes, state them separately.

<sup>5</sup>State separately what has been received on forfeited shares.

<sup>6</sup>State the aggregate number of shares forfeited (if any).

LIST OF PERSONS holding shares in the \_\_\_\_\_ Company, Limited, (or Ltd.) and of persons who have held shares therein at any time since the date of the last return or (in the case of a first return) since the date of incorporation, showing their full names and addresses, and an account of the shares so held.

FULL NAMES, ADDRESSES AND OCCUPATIONS.				ACCOUNT OF SHARES			Remarks
Surname	Christian name	Address	Occupation	*Number of shares held by existing members at date of report.	†Particulars of shares transferred by persons who are still members and persons who have ceased to be members ‡Num-ber.	Date of registration of transfer.	

\*The aggregate number of shares held must be stated, and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.

†The date of registration of each transfer must be given as well as the number of shares transferred on each date. The particulars must be placed opposite the name of the transferor and not opposite that of the transferee, and the name of the transferee must be inserted in the "Remarks" column immediately opposite the particulars of each transfer.

‡When the shares are of different kinds or classes these columns must be subdivided so that the number of each kind or class held or transferred may be shown separately.

FULL NAMES, ADDRESSES AND OCCUPATIONS of the persons who are the president, secretary, treasurer, directors and manager of the \_\_\_\_\_, Limited (or Ltd.)

The head office of the company in Saskatchewan is situated at \_\_\_\_\_.

---

*Signature.*

*State whether director, manager  
or other owner.*

*Note:*—If share warrants have been issued, the particulars required by section 171 must be included in this form.

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FORM M  
(Section 180)

ORDINARY RESOLUTION

At a general meeting of the members of the \_\_\_\_\_, Limited,  
(or Ltd.) duly convened and held at \_\_\_\_\_ on the  
\_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the following  
resolution was duly passed:

Certified a true copy this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_\_.

---

*Signature*

---

*Relationship to company*

FORM N  
(Section 180)

SPECIAL RESOLUTION

At a general meeting of the members of the \_\_\_\_\_, Limited, (or  
Ltd.) duly convened and held at \_\_\_\_\_ on the \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_, the following special resolution was duly passed:

Certified a true copy this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

---

*Signature*

---

*Relationship to company*

FORM O  
(Section 192)

STATEMENT ON APPLICATION FOR REGISTRATION

<p>(a) STATE THE PROVINCE, STATE OR COUNTRY</p>	<p>1 The name of the company is _____.</p>		
<p>(b) AND (c) SEE SECTION 3 OF THE COMPANIES ACT</p>	<p>2 The company was incorporated in (a) _____ on the _____ day of _____, and is at the date hereof a valid and subsisting corporation, legally authorized to transact business under its charter (b) and regulations (b).</p> <p>3 The business which the company will carry on in the province is _____</p> <p>4 The company commenced business (or intends to commence business) in the province on the _____ day of _____, 19____.</p> <p>5 The charter (c) and regulations (c) of the company, a verified copy whereof is lodged herewith, consist of the following documents:</p>		
<p>(d) FOR EXAMPLE, LETTERS PATENT, ARTICLES OF INCORPORATION, BYLAWS, ETC.</p>	<table border="0" style="width: 100%;"> <tr> <th style="text-align: left; width: 40%;">Date.</th> <th style="text-align: left; width: 60%;">Nature of Document. (d)</th> </tr> </table>	Date.	Nature of Document. (d)
Date.	Nature of Document. (d)		
<p>(e) IF NO FIXED PERIOD, SAY "UNLIMITED"</p>	<p>6 The period fixed by its charter for the duration of the company is _____ years from _____. (e)</p>		
<p>(f) STATE DEFINITELY EXTENT OF LIABILITY</p>	<p>7 The liability of the members of the company is under its charter (f)</p>		
<p>(g) STATE DIFFERENT CLASSES (IF ANY)</p>	<p>8 The authorized capital of the company is \$_____ and is divided into (g) _____ shares of \$_____ each.</p> <p style="padding-left: 20px;">The number of shares without nominal or par value authorized is _____</p> <p style="padding-left: 20px;">The subscribed capital at the date hereof is \$ _____</p> <p style="padding-left: 20px;">The paid up capital at the date hereof is \$ _____</p> <p style="padding-left: 20px;">The shares in the company consist of (g) _____</p>		
<p>(h) FULL NAMES, ADDRESSES AND OCCUPATIONS</p>	<p>9 The full address of the head office or chief place of business outside the province is _____.</p> <p>10 The full address of the head office or chief place of business within the province will be _____.</p>		
<p>(i) OTHER INFORMATION HERE</p>	<p>11 The directors of the company are (h) _____.</p> <p>12 (i) _____.</p>		

## COMPANIES

c. 124

(j) IF THE COMPANY  
HAS NO SEAL, USE  
THE WORDS "THIS  
STATEMENT WAS  
EXECUTED IN THE  
NAME OF THE COM-  
PANY \_\_\_\_\_"  
BY \_\_\_\_\_

(j) In witness whereof the common seal of the company  
hereunto affixed on the \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

The common seal of the \_\_\_\_\_  
was hereunto affixed in the \_\_\_\_\_  
\_\_\_\_\_ presence of \_\_\_\_\_

}

CANADA  
PROVINCE OF SASKATCHEWAN  
TO WIT

} In the matter of *The  
Companies Act*, and  
of \_\_\_\_\_.

(k) STATE OFFICIAL  
POSITIONS

We, \_\_\_\_\_, of \_\_\_\_\_, and \_\_\_\_\_  
\_\_\_\_\_, of \_\_\_\_\_, do solemnly  
declare that we are respectively (k) \_\_\_\_\_  
and \_\_\_\_\_ of the \_\_\_\_\_, and  
that the particulars set forth in the foregoing state-  
ment of the said company pursuant to Part V of *The  
Companies Act*, are true and correct.

And we severally make this solemn declaration cons-  
cientiously believing it to be true, and knowing that it  
is of the same force and effect as if made under oath  
and by virtue of the *Canada Evidence Act*.

Severally declared before me  
by \_\_\_\_\_ the above  
named declarants at \_\_\_\_\_  
\_\_\_\_\_, in the \_\_\_\_\_, this  
\_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

}

\_\_\_\_\_  
*A Notary Public in and for* \_\_\_\_\_.



FORM P  
(Section 193)

POWER OF ATTORNEY

Know all men by these presents that \_\_\_\_\_ duly incorporated under \_\_\_\_\_ of the \_\_\_\_\_ Doth hereby make, nominate, constitute and appoint \_\_\_\_\_ of \_\_\_\_\_ in the Province of Saskatchewan \_\_\_\_\_ to act as the attorney of the said company for the purpose of receiving service of process in all suits and proceedings against the said company within the Province of Saskatchewan and of receiving all lawful notices; and doth hereby declare that service of process in respect to such suits and proceedings and all such notices upon the said nominee shall be legal and binding to all intents and purposes whatsoever; and doth hereby waive all claims of error by reason of such service; and doth hereby declare that this power of attorney is given for the purpose of vesting in the said attorney all authority required to be vested in an attorney under *The Companies Act*; and for all and every of the purposes aforesaid doth hereby give and grant unto the said attorney full and absolute power and authority to do all things necessary to be done in and about the premises.

In witness whereof the company has hereunto set its corporate seal attested by the signatures of its \_\_\_\_\_ and \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

[CORPORATE SEAL]

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_

FORM Q  
(Section 203)

POWER OF ATTORNEY

Return of the \_\_\_\_\_ Company, Limited, (or Ltd.) made up to the thirty-first day of December, 19\_\_\_\_.

- (a) Nominal share capital \$ \_\_\_\_\_ divided into \_\_\_\_\_ shares of \$ \_\_\_\_\_ each;
- (b) Number of shares taken from the commencement of the company up to the date of the return;
- (c) The amount called up on each share \$ \_\_\_\_\_;
- (d) The total amount received from calls \$ \_\_\_\_\_;
- (e) The total amount unpaid on calls \$ \_\_\_\_\_;
- (f) The total number of shares forfeited;

(g) The total amount, if any, agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash \$\_\_\_\_\_;

(h) The names and addresses of the persons who at the date of the return are the directors of the company;

(i) The total amount of debt due from the company in respect of all mortgages and other charges \$\_\_\_\_\_;

(j) The full address of the head office, giving the name of the city or town and street and number;

(k) The full address of the chief place of business in Saskatchewan, giving the city or town and street and number;

(l) The nature of the business or businesses carried on during the year ending December thirty-first last;

(m) The particulars mentioned in clauses (h), (i) and (j) of subsection (3) of section 171, in case the company has issued a share warrant;

(n) Any information which in the opinion of the registrar should be filed in his office respecting the company.

If the company has issued only shares without any nominal or par value, delete clauses (a) to (g) and substitute:

(a) Number of shares without nominal or par value outstanding at the date of the return;

(b) Number of shares without nominal or par value issued since the date of the last return:

If the company has, in addition to shares with a par value, issued shares without any nominal or par value, insert the following additional clauses:

(g-a) Number of shares without nominal or par value outstanding at the date of the return;

(g-b) Number of shares without nominal or par value issued since the date of the last return.

Signed and presented for filing by \_\_\_\_\_

\_\_\_\_\_  
*Director (or secretary or other officer)*

Date \_\_\_\_\_, 19\_\_\_\_.

FORM R  
(Section 212)

CANADA:  
PROVINCE OF SASKATCHEWAN.

To the Registrar of Joint Stock Companies of the \_\_\_\_\_ Province of Saskatchewan.

The petition of \_\_\_\_\_ humbly sheweth as follows:

1 The \_\_\_\_\_ was duly incorporated on the \_\_\_\_\_ day of \_\_\_\_\_ by \_\_\_\_\_ and was duly organized and is still in existence and is legally authorized to transact business;

2 The company is desirous of obtaining registration (and licence) under and pursuant to the provisions of *The Companies Act*;

3 Your petitioner therefore prays that it may be duly registered (and licensed) under the authority of the said Act.

And your petitioner will ever pray.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

*Note:*—Where the petitioner is a Dominion company, omit the words in brackets.

FORM S  
(Section 212)

CANADA:  
PROVINCE OF SASKATCHEWAN.

To the Registrar of Joint Stock Companies, Regina, Sask.:

I, \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_, \_\_\_\_\_ of The \_\_\_\_\_ Company, Limited (*or* Ltd.) do hereby certify that the said company is still in existence and carrying on business in Saskatchewan.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Signature*

FORM T  
(Section 212)

CERTIFICATE OF RENEWAL OF REGISTRATION

CANADA:  
PROVINCE OF SASKATCHEWAN.

I hereby certify that the registration of the \_\_\_\_\_ Company, Limited (*or* Ltd.) has been renewed for the year 19\_\_\_\_.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
*Registrar of Joint Stock Companies*