

Companies Act

CHAPTER 81 OF THE REVISED STATUTES, 1989

as amended by

1990, c. 15, ss. 2, 5-18; O.I.C. 1991-828;
O.I.C. 1992-162; 1992, c. 10, s. 34; O.I.C. 1996-562;
1998, c. 8, ss. 16-21; 1999, c. 4, s. 2; 2002, c. 5, s. 5;
O.I.C. 2004-138; 2004, c. 3, s. 2; 2007, c. 9, s. 4;
2007, c. 17, ss. 13, 14; 2007, c. 34; 2008, c. 4, ss. 4, 5;
2009, c. 5, s. 2; 2010, c. 8, ss. 106-113; 2011, c. 8, s. 2;
2013, c. 3, s. 2; 2015, c. 6, s. 3; 2015, c. 30, ss. 144-146;
2017, c. 4, ss. 76, 77



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Published by Authority of the Speaker of the House of Assembly
Halifax

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2007, c. 17, ss. 13, 14; 2007, c. 34; 2008, c. 4, ss. 4, 5;
2009, c. 5, s. 2; 2010, c. 8, ss. 106-113; 2011, c. 8, s. 2;
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2017, c. 4, ss. 76, 77

An Act Respecting Joint Stock Companies

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Short title

1 This Act may be cited as the *Companies Act*. R.S., c. 81, s. 1.

PART I

INTERPRETATION

Interpretation

2 (1) In this Act,

(a) “articles” means the articles of association of a company, as originally framed or as altered by special resolution, and includes, so far as they apply to the company, the regulations contained, as the case may be, in Table A in the First Schedule to Chapter 128 of the Revised Statutes, 1900, in Table A in the First Schedule to Chapter 19 of the Acts of 1921, in Table A in the First Schedule to Chapter 174 of the Revised Statutes, 1923, in Table A in the First Schedule of Chapter 6 of the Acts of 1935, in Table A in the First Schedule to Chapter 41 of the Revised Statutes, 1954, in Table A in the First Schedule to Chapter 42 of the Revised Statutes, 1967, or in Table A in the First Schedule to this Act;

(aa) “auditor” includes a partnership of auditors;

(ab) “body corporate” includes a company or other body corporate wherever or however incorporated;

(b) “books and papers” and “books or papers” includes accounts, deeds, writings and documents;

(ba) “class”, in relation to shares, means shares that are issued with preferred, deferred or other special rights or restrictions, whether in regard to dividends, voting, return of share capital or otherwise;

(bb) “Commission” means the Nova Scotia Securities Commission;

(c) “company” means a company formed and registered or continued under this Act, or an existing company, that has not been discontinued under this Act;

(d) “court” means the Supreme Court of Nova Scotia, or a judge thereof;

(e) “debenture” includes debenture stock and bonds and any other securities of a company whether constituting a charge on the assets of the company or not, but does not include shares in the capital stock of a company or bills of exchange, promissory notes, cheques or other like negotiable documents;

(f) “director” includes any person occupying the position of director by whatever name called;

(g) “document” includes summons, notice, order and other legal process, and registers;

(h) “existing company” means a company registered under Chapter 128 of the Revised Statutes, 1900, Chapter 19 of the Acts of 1921 or Chapter 174 of the Revised Statutes, 1923, and still so registered in the office of the Registrar on the first day of August, 1935;

(i) “general rules” means general rules made under this Act, and includes forms;

(j) “loan company” means and shall be deemed always to have meant a company carrying on the business of a loan company as defined in the *Trust and Loan Companies Act*;

(k) “memorandum” means the memorandum of association of a company, as originally framed or as altered in pursuance of this Act;

(l) “printed” means printed, typewritten or otherwise mechanically reproduced;

(m) “prospectus” means any prospectus, notice, circular, advertisement, or other invitation, offering to the public for subscription for or purchase of any shares or debentures of a company;

(n) “Registrar” means the Registrar of Joint Stock Companies appointed under this Act, and includes the Deputy Registrar or any person authorized by the Governor in Council to perform the duties of the Registrar in his absence;

(na) “reporting company” means a company, other than a reporting issuer, which has filed a prospectus pursuant to this Act for registration with the Registrar in respect of which any shares or debentures of the company were subscribed and such shares or debentures or shares or debentures into which such shares or debentures were converted are outstanding except that where, upon the application of a company that has fewer than fifteen members and debenture holders, in aggregate, the Commission is satisfied, in its

discretion, that to do so would not be prejudicial to the public interest, the Commission may order, subject to such terms and conditions as the Commission may impose, that the company is not a reporting company;

(nb) “reporting issuer” means a company which is a reporting issuer within the meaning of the *Securities Act*;

(nba) “security” means, collectively, any security, as such term is defined in the *Securities Transfer Act*, and any debenture;

(nbb) “security certificate” means a certificate evidencing a security;

(nc) “series”, in relation to shares, means a division of a class of shares;

(o) “share” means a share in the share capital of the company and also shares without nominal or par value except where a distinction between shares with nominal or par value and shares without nominal or par value is expressed or implied, and includes stock, except where a distinction between stock and shares is expressed or implied;

(oa) “trust company” means, and shall be deemed always to have meant, a company carrying on the business of a trust company as defined in the *Trust and Loan Companies Act*;

(p) “voting securities” means any security other than a debt security of a company carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

(2) A body corporate shall be deemed to be an affiliate of another body corporate if one of them is the subsidiary of the other or if both are subsidiaries of the same body corporate or if each of them is controlled by the same person.

(3) A body corporate shall be deemed to be controlled by another person or by two or more bodies corporate if

(a) voting securities of the first-mentioned body corporate carrying more than fifty per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other bodies corporate; and

(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned body corporate.

(4) A body corporate shall be deemed to be a subsidiary of another body corporate if

(a) it is controlled by

- (i) that other, or
 - (ii) that other and one or more bodies corporate each of which is controlled by that other, or
 - (iii) two or more bodies corporate each of which is controlled by that other; or
- (b) it is a subsidiary of a body corporate that is that other's subsidiary.

(5) A body corporate is the holding body corporate of another body corporate if that other body corporate is a subsidiary of that body corporate. R.S., c. 81, s. 2; 1990, c.15, s. 2; 2007, c. 34, s. 1; 2010, c. 8, s.106.

REGISTRAR

Registrar of Joint Stock Companies and Deputy Registrar

3 (1) The Governor in Council may from time to time appoint a person to be Registrar of Joint Stock Companies for the purposes of this Act.

(2) Such person shall hold office during pleasure, and shall be paid such salary as the Governor in Council determines.

(3) The Governor in Council may also from time to time appoint a Deputy Registrar and may make regulations with respect to his duties and may remove any person so appointed.

(4) It shall be the duty of the Registrar to enforce compliance with the several provisions, regulations and stipulations in this Act contained, or any regulations or stipulations made thereunder, but such duty shall not affect the right of any other person to compel compliance with the same.

(5) The Governor in Council may from time to time direct a seal or seals to be prepared for the authentication of any documents required for or connected with the registration of companies, and until the Governor in Council otherwise orders, the seal in use on the first day of August, 1935, shall continue to be used.

(6) Whenever any act is by this Act directed to be done to or by the Registrar, it shall, until the Governor in Council otherwise directs, be done to or by the existing Registrar, or in his absence, to or by the Deputy Registrar or such person as the Governor in Council may for the time being authorize. R.S., c. 81, s. 3.

Documents available to public

4 (1) Every person may inspect the documents kept by the Registrar and there shall be paid for such inspection such fees as are directed by the Governor in Council, not exceeding fifty cents for each inspection.

(2) Any person may require a certificate of the incorporation of any company or a copy or extract of any other document, or any part of any other document, to be certified by the Registrar and there shall be paid for the certificate of incorporation, certified copy or extract such fees as the Governor in Council directs. R.S., c. 81, s. 4.

FEES

Fees and taxes

5 (1) Subject to subsections (2) and (3), there shall be paid to the Registrar in respect to the several matters mentioned in Tables B and C in the First Schedule to this Act the several fees therein specified, or such other fees as the Governor in Council may from time to time direct.

(2) An incorporation tax in the amount of one thousand one hundred and forty-four dollars and ninety cents shall be paid to the Registrar for the incorporation of an unlimited company and that tax is in substitution for the incorporation fee contained in regulations.

(3) An amalgamation tax in the amount of one thousand one hundred and forty-four dollars and ninety cents shall be paid to the Registrar for filing documents in support of an amalgamation where the amalgamated company is an unlimited company, and that tax is in substitution for the amalgamation fee contained in regulations.

(4) A continuance tax in the amount of one thousand one hundred and forty-four dollars and ninety cents shall be paid to the Registrar for filing documents in support of a continuance if the continued company is an unlimited company, and that tax is in substitution for the continuance fee contained in the regulations.

(5) A conversion tax in the amount of one thousand one hundred and forty-four dollars and ninety cents shall be paid to the Registrar for filing documents in support of an alteration of the memorandum if the effect of the alteration is to convert the company to an unlimited company. R.S., c. 81, s. 5; 2002, c. 5, s. 5; 2004, c. 3, s. 2; 2007, c. 9, s. 4; 2007, c. 34, s. 2; 2009, c. 5, s. 2; 2011, c. 8, s. 2; 2013, c. 3, s. 2; 2015, c. 6, s. 3.

Fees part of general revenue

6 All fees paid to the Registrar in pursuance of this Act shall be paid to the Minister of Finance and form part of the general revenue of the Province. R.S., c. 81, s. 6.

GENERAL RULES AND FORMS

Rules

7 (1) The Governor in Council may from time to time by order in council make and establish such general rules and orders not inconsistent with this Act, as from time to time to him appear necessary or expedient for the purpose of

giving full effect to the provisions of this Act, or any of them, and for prescribing the course to be adopted in the course of official business under this Act, and the forms to be used therein.

(2) All such general rules and orders shall, after the making thereof, be published in the Royal Gazette, and shall thereupon have the force of law until amended, altered or revoked. R.S., c. 81, s. 7.

Forms

8 (1) The forms set forth in the Second Schedule to this Act, or forms as near thereto as circumstances admit, shall be used in all matters to which those forms refer.

(2) The Governor in Council may from time to time make alterations in the tables and forms in the First Schedule to this Act, including the fees to be paid to the Registrar for registration or otherwise of a company all or part of whose shares are of no par value, and may alter or add to the forms in the Second Schedule to this Act.

(3) Any such table or form, when altered, shall be published in the Royal Gazette, and upon such publication being made such table or form shall have the same force as if it were included in one of the Schedules to this Act, but no alteration made by the Governor in Council in Table A, in the First Schedule to this Act, shall affect any company registered before the alteration or repeal, as respects such company, of any portion of that Table. R.S., c. 81, s. 8.

PART II

CONSTITUTION AND INCORPORATION

MEMORANDUM OF ASSOCIATION

Who may incorporate

9 Any one or more persons associated for any lawful purpose other than a banking, loan, trust or insurance company, may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without liability, that is to say, either

(a) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them, in this Act termed a “company limited by shares”;

(b) a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up, in this Act termed a “company limited by guarantee”; or

(c) a company not having any limit on the liability of its members, in this Act termed an “unlimited company”. R.S., c. 81, s. 9.

Shared companies

10 In the case of a company limited by shares,

(a) the memorandum must state

(i) the name in all its language forms of the company, with “Incorporated”, “Incorporée”, “Limited”, “Limitée”, “Inc.”, “Ltd.” or “Ltée” as the last word in each form of its name,

(ii) the restrictions, if any, on the objects and powers of the company,

(iii) that the liability of the members is limited,

(iv) in the case of a company having par value shares, the amount of share capital of each class of such shares with which the company proposes to be registered and the division thereof into shares of a fixed amount,

(v) in the case of a company having shares without nominal or par value, the maximum number of shares of each class of such shares that the company is authorized to issue or, where there is no limit on the number of shares of any such class, a statement to that effect, and

(vi) in the case of a company having both par value shares and shares without nominal or par value, the particulars thereof in accordance with subclauses (iv) and (v);

(b) no subscriber of the memorandum may take less than one share; and

(c) each subscriber must indicate opposite to his name the number of shares he takes, together with his address. R.S., c. 81, s. 10; 1998, c. 8, s. 16; 2007, c. 34, s. 3.

Guaranteed companies

11 In the case of a company limited by guarantee,

(a) the memorandum must state

(i) the name in all its language forms of the company, with “Incorporated”, “Incorporée”, “Limited”, “Limitée”, “Inc.”, “Ltd.” or “Ltée” as the last word in each form of its name,

(ii) the restrictions, if any, on the objects and powers of the company,

(iii) that the liability of the members is limited, and

(iv) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a mem-

ber, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves such amount as may be required, not exceeding a specified amount; and

- (b) if the company has a share capital,
 - (i) the memorandum must also state
 - (A) in the case of a company having par value shares, the amount of share capital of each class of such shares with which the company proposes to be registered and the division thereof into shares of a fixed amount,
 - (B) in the case of a company having shares without nominal or par value, the maximum number of shares of each class of such shares that the company is authorized to issue or, where there is no limit on the number of shares of any such class, a statement to that effect, and
 - (C) in the case of a company having both par value shares and shares without nominal or par value, the particulars thereof in accordance with paragraphs (A) and (B),
 - (ii) no subscriber of the memorandum may take less than one share, and
 - (iii) each subscriber must indicate opposite to his name the number of shares he takes, together with his address. R.S., c. 81, s. 11; 1998, c. 8, s. 17; 2007, c. 34, s. 4.

Unlimited companies

12 In the case of an unlimited company,

- (a) the memorandum must state
 - (i) the name in all its language forms of the company, and
 - (ii) the restrictions, if any, on the objects and powers of the company; and
- (b) if the company has a share capital,
 - (i) no subscriber of the memorandum may take less than one share, and
 - (ii) each subscriber must indicate opposite to his name the number of shares he takes, together with his address. R.S., c. 81, s. 12; 1998, c. 8, s. 18.

Content of memorandum

12A Subject to Sections 10, 11 and 12, the memorandum may set out any provisions permitted by this Act or by law to be set out in the articles of the company. 2007, c. 34, s. 5.

Signatures

13 The memorandum must be signed by each subscriber in the presence of at least one witness, who must attest the signature. R.S., c. 81, s. 13.

Alteration of conditions

14 A company may not alter the provisions 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., c. 81, s. 14; 2007, c. 34, s. 6.

NAME

Language of name

15 Subject to subclause (i) of clause (a) of Section 10 and subclause (i) of clause (a) of Section 11, a company may have its name in more than one language form. R.S., c. 81, s. 15.

Restrictions on name

16 (1) No company shall be registered under a name

(a) identical with that of any other subsisting company, incorporated or unincorporated, or so nearly resembling the same as to be calculated to deceive, except under a name resembling that of the subsisting company if the subsisting company testifies its consent in such manner as the Registrar requires;

(b) which, in the opinion of the Registrar, suggests or is calculated to suggest the patronage of Her Majesty or of any member of the Royal Family or connection with Her Majesty's Government or any department thereof;

(c) otherwise objectionable; or

(d) otherwise prohibited by regulation.

(2) If any company, through inadvertence or otherwise, is or has been registered by a name

(a) identical with that of any other subsisting company, incorporated or unincorporated, or which the Registrar deems to so nearly resemble the name as to be calculated to deceive, or contains any words prohibited under clause (b) of subsection (1) except in a case in which such consent as aforesaid has been given; or

(b) which the Registrar deems to be otherwise objectionable by reason of this Section or otherwise,

the first mentioned company shall, upon the direction of the Registrar, change its name, and if any 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, and upon the change being made, the Registrar shall enter the new name

on the register in the place of the former name, and shall issue a certificate of change of name to meet the circumstances of the case.

(3) If any company or 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 apply to the court, and the court, if satisfied that it is just so to do, 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 be, and the court may, by the order, give such directions and make such provisions as seem just for placing the company and all persons in the same position, as nearly as may be, as if such direction had never been given, or as if the name of the company had never been changed, as the case may be, and when the former name of a company is so restored to the register, the Registrar shall issue a certificate of incorporation altered to meet the circumstances of the case.

(4) The Registrar may refuse to register any company under a name which he deems to be objectionable.

(5) Notwithstanding any other provisions of this Act or of any law to the contrary, whether statutory or otherwise, the Registrar may, with the approval of the Governor in Council, refuse to register any company. R.S., c. 81, s. 16; 1992, c. 10, s. 34; 2007, c. 34, s. 7.

Change of name

17 (1) Subject to Section 16, a company may by special resolution change its name.

(2) A change of name is effective on such day as the Registrar determines.

(3) The Registrar shall issue to the company a certificate of change of name.

(4) The Registrar shall cause to be published in the Royal Gazette a notice of the change of name. R.S., c. 81, s. 17.

Effect of name change

18 No alteration of the name of a company shall affect any rights or obligations of the company or render defective any legal proceedings instituted or to be instituted by or against the company, and any legal proceedings may be continued or commenced against the company by its new name that might have been continued or commenced against the company by its former name. R.S., c. 81, s. 18.

ALTERATION OF MEMORANDUM

Alteration by special resolution

19 (1) Subject to subsections (2) and (4), a company may, by resolution of its shareholders, add, change or remove any provision of its memorandum to

(a) in the case of a company limited by shares or by guarantee, where authorized by its articles,

(i) increase its share capital by the creation of new shares of such amount as it thinks expedient,

(ii) increase its share capital to authorize a new class of shares without nominal or par value, either stating the maximum number of shares of such class that the company is authorized to issue or, where there is no limit on the number of shares of such class, a statement to that effect,

(iii) change the maximum number of shares of a class of shares without nominal or par value, that the company is authorized to issue, which may include a change to or from an unlimited number of shares of that class,

(iv) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares,

(v) change the shares of any class, whether issued or unissued, into a different number of shares of the same class or into the same or different number of shares of another class,

(vi) convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination or into shares without nominal or par value,

(vii) subdivide its shares, or any of them, into shares of smaller amounts than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share is the same as it was in the case of the share from which the reduced share is derived,

(viii) exchange shares of one denomination for another, including shares without nominal or par value,

(ix) cancel shares that 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 diminish the amount of its share capital by the amount of the shares so cancelled,

(x) convert any part of its issued or unissued share capital into preference shares redeemable or purchasable by the company,

(xi) except in the case of preferred shares, convert all or any of its previously authorized unissued or issued and fully paid-up shares with nominal or par value into the same number of shares without any nominal or par value and reduce, maintain or increase accordingly its liability on any of its shares so converted, but the power to reduce its liability on any of its shares so converted where it results in a reduction of paid-up capital may only be exercised in accordance with Section 57,

(xii) convert all or any of its previously authorized unissued or issued and fully paid-up shares without nominal or par value into the same or a different number of shares with nominal or par value and for such purpose the shares issued without nominal or par value and replaced by shares with a nominal or par value shall be considered as fully paid, but their aggregate par value shall not exceed the value of the net assets of the company as represented by the shares without par value issued before the conversion, or

(xiii) change the designation of all or any of its shares and add, change or remove any rights, privileges, restrictions or conditions including rights to accrued dividends, in respect of all or any of the shares, whether issued or unissued;

(b) add, change or remove any provision of the memorandum that limits the liability of the members, the effect of which is to convert a company limited by shares or by guarantee to an unlimited company;

(c) in the case of a company that was incorporated before the first day of September, 1982, and that has not previously altered its memorandum pursuant to this Act, to add, change or remove any provision to enable it to change to a company that has, pursuant to subsection (8) of Section 26, the capacity, rights, powers and privileges of a natural person;

(d) add, change or remove any provision in respect of the objects or powers of the company; and

(e) add, change or remove any other provision that is permitted by this Act or in law to be set out in the memorandum.

(2) Subject to subsections (3) and (4), the powers in subclauses (ii), (iii), (iv), (v), (vi), (vii), (viii), (x), (xi), (xii) and (xiii) of clause (a) of subsection (1) and clauses (c), (d) and (e) of subsection (1) must be exercised by special resolution.

(3) Subject to subsection (4), the power to add, change or remove any provision of the memorandum pursuant to

(a) clause (b) of subsection (1); or

(b) in the case of a company incorporated before the first day of September, 1982, and that has not altered its memorandum of association pursuant to clause (c) of subsection (1), clauses (c), (d) or (e) of subsection (1),

must be exercised with the approval of all members of the company, whether or not the shares held by them otherwise carry the right to vote, and a certificate of an officer of the company attesting to the approval of the alteration by members of the company in accordance with this subsection together with a copy of the memorandum as altered shall be delivered by the company to the Registrar, who shall register the same and certify the registration, and the certificate of the Registrar is conclusive evidence that all the requirements of this Act with respect to the alteration and its approval have been complied with, and the memorandum so altered is the memorandum of the company and before the issuance of the certificate in accordance with this subsection, the Registrar must be satisfied that all persons who will be members of the company at the time of or immediately after the alteration have consented to the alteration and, for such purpose, the Registrar may rely upon a certificate of an officer of the company attesting to the approval.

(4) In the case of a proposed change or removal of a provision in the memorandum that is stated to be unalterable without court order, the provision may not be changed or removed pursuant to subsections (1) and (2) until and to the extent that it is confirmed on petition to the court.

(4A) In the case of a proposed change or removal of a provision in the memorandum that is stated to be, or can reasonably be concluded to be, for the benefit of a person or class of persons including creditors or holders of debentures of the company, but not including members of the company generally in their capacity as members, hereinafter in this Section referred to as "Interested Persons", or each individually an "Interested Person", the provision may not be changed or removed pursuant to subsections (1) and (2) until and to the extent that it is confirmed on petition to the court or approved in writing by each interested person.

(5) Before confirming the change or removal, the court must be satisfied that

(a) sufficient notice has been given to every Interested Person; and

(b) with respect to every Interested Person who, in the opinion of the court, is entitled to object, and who signifies the person's objection in the manner directed by the court, either the person's consent to the change or removal has been obtained or the person's debt or claim, if any, has been discharged or has been determined, or has been secured to the satisfaction of the court,

but the court may, in the case of any Interested Person or class of Interested Persons, for special reasons, dispense with the notice required by this Section.

(6) The court may make an order confirming the change or removal, either wholly or in part, and on such terms and conditions as the court

thinks fit, and the court shall, in exercising its discretion under this subsection, 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 Interested Persons, 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 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, but no part of the capital of the company may be expended in any such purchase without complying with Section 51.

(7) A certified copy of the order confirming the alteration under subsection (6) or a certificate of the officer of the company attesting to the approval of the alteration by the members of the company in accordance with subsection (3), as the case may be, together with a printed, typewritten or otherwise mechanically reproduced copy of the memorandum as altered shall, within fifteen days from the date of the order or approval, be delivered by the company to the Registrar, and the Registrar shall register the same, and shall certify the registration under the Registrar's hand, and the certificate of the Registrar is conclusive evidence that all the requirements of this Act with respect to the alteration and the confirmation or approval thereof have been complied with, and thenceforth the memorandum so altered is the memorandum of the company.

(8) *repealed 2007, c. 34, s. 8.*

(9) The court may by order at any time extend the time for the delivery of documents to the Registrar under this Section for such period as the court may think proper.

(10) If a company makes default in delivering to the Registrar any document required by this Section to be delivered to him, the company shall be liable to a penalty not exceeding fifty dollars for every day during which it is in default.

(11) Where an alteration of a memorandum has been made under this Section, every copy of the memorandum issued after the date of the alteration must be in accordance with the alteration and, where a company fails to comply with this provision, it is liable to a penalty not exceeding five dollars for each copy in respect of which default is made, and every director and manager of the company who knowingly and wilfully authorizes or permits the default is liable to the same penalty.

(12) Where shares of a class are issued in series, and any designation, rights, privileges, restrictions or conditions attaching to any series of such shares are set out in the memorandum, all provisions of this Section respecting the creation, amendment, exchange, cancellation or other change of shares of any class apply. R.S., c. 81, s. 19; 2007, c. 34, s. 8.

Restriction on issue of shares

19A (1) Where the memorandum so provides, no shares of a class shall be issued unless the shares have first been offered to the shareholders holding shares of that class, and those shareholders have a pre-emptive right to acquire the offered shares in proportion to their holdings of the shares of that class, at such price and on such terms as those shares are to be offered to others.

(2) Notwithstanding that the memorandum provides the pre-emptive right referred to in subsection (1), shareholders have no pre-emptive right in respect of shares to be issued

- (a) for consideration other than money;
- (b) as a share dividend; or
- (c) pursuant to the exercise of conversion privileges, options or rights previously granted by the company. 2007, c. 34, s. 9.

Convertible preferred shares or debentures

19B (1) Notwithstanding anything contained in this Act, preferred shares and debentures may be issued as convertible into shares of any class or classes as fully or partly paid up, or may, by special resolution, be made convertible into shares of any class or classes as fully or partly paid up.

(2) Where preferred shares or debentures to which subsection (1) applies are converted, it is not necessary to comply with Section 109. 2007, c. 34, s. 9.

Notice to Registrar of consolidation, conversion, etc.

19C Where a company having a share capital has

- (a) consolidated and divided its share capital into shares of larger amount than its existing shares;
- (b) converted any of its shares into stock;
- (c) reconverted stock into shares; or
- (d) cancelled shares that have not been taken or agreed to be taken by any person at the date of the passing of the resolution in that behalf and diminished the amount of its share capital by the amount of the shares so cancelled,

it shall give notice to the Registrar of the consolidation, division, conversion, reconversion or cancellation, specifying the shares consolidated, divided, converted or cancelled or of the stock reconverted. 2007, c. 34, s. 9.

Where conversion of shares

19D Where a company has converted any of its shares into stock and given notice of the conversion to the Registrar, the register of members of the company shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares required by this Act. 2007, c. 34, s. 9.

Notice to Registrar of increase share capital or members

19E (1) Where a company that has authorized the issue of shares, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital or the number of its authorized shares of any class, the company shall give to the Registrar, within fifteen days after the passing of the resolution authorizing the increase, notice of the increase of capital and the Registrar shall record the increase.

(2) Where a company not having authorized the issuance of shares has increased the number of its members beyond the registered number, the company shall give to the Registrar, within fifteen days after the increase was resolved on or took place, notice of the increase of members and the Registrar shall record the increase.

(3) Where a company fails to comply with this Section, it is liable to a penalty not exceeding twenty-five dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default is liable to the same penalty. 2007, c. 34, s. 9.

Construction of works or building

19F (1) Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or building or the provision of any plant that 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 sum so paid by way of interest to capital as part of the cost of construction of the work or building, or the provision of plant, but

(a) no such payment shall be made unless it is authorized by the articles or by special resolution;

(b) the rate of interest must in no case exceed six per cent per annum;

(c) the payment of the interest must not operate as a reduction of the amount paid up on the shares in respect of which it is paid; and

(d) the accounts of the company must show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate.

(2) Where default is made in complying with clause (d) of subsection (1), the company and every officer of the company who is in default is liable to a penalty not exceeding one hundred dollars. 2007, c. 34, s. 9.

ARTICLES OF ASSOCIATION

Articles and regulations

20 (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule to this Act.

(3) In the case of an unlimited company, the articles must state

(a) in the case of a company having par value shares, the amount of share capital of each class of such shares with which the company proposes to be registered and the division thereof into shares of a fixed amount;

(b) in the case of a company having shares without nominal or par value, the maximum number of shares of each class of such shares that the company is authorized to issue or, where there is no limit on the number of shares of any such class, a statement to that effect; and

(c) in the case of a company having both par value shares and shares without nominal or par value, the particulars thereof in accordance with clauses (a) and (b).

(4) *repealed 2007, c. 34, s. 10.*

R.S., c. 81, s. 20; 2007, c. 34, s. 10.

Regulations in Table A

21 In the case of a company limited by shares and registered on or after the first day of August, 1935, if articles are not registered, or, if articles are registered, in so far as the articles do not exclude or modify the regulations in Table A in the First Schedule to this Act, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent, and capable of being changed by the company in the same manner, as if they were contained in duly registered articles. R.S., c. 81, s. 21.

Form of articles

22 Articles must be

(a) printed, typewritten or otherwise mechanically reproduced;

(b) divided into paragraphs numbered consecutively; and

(c) signed by each subscriber of the memorandum of association in the presence of at least one witness, who must attest the signature. R.S., c. 81, s. 22.

Alteration of articles or regulations

23 (1) Subject to this Act and to the provisions contained in its memorandum, a company may by special resolution, alter or add to its articles, and 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) The power of altering articles under this Section shall, in the case of an unlimited company formed and registered under this Act, extend to altering any regulations relating to the amount of capital or its distribution into shares and relating to the number of shares without nominal or par value, notwithstanding that those regulations are contained in the memorandum. R.S., c. 81, s. 23; 2007, c. 34, s. 11.

GENERAL PROVISIONS**Binding effect of articles**

24 (1) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been 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 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, and be of the nature of a specialty debt. R.S., c. 81, s. 24; revision corrected 1999.

Registration of documents

25 The memorandum and the articles, if any, shall be delivered to the Registrar, and he shall retain the same and register the memorandum and articles, if any, provided, however, that if the Registrar thinks fit, he may refuse to register any memorandum or articles until the Governor in Council has approved thereof. R.S., c. 81, s. 25.

Incorporation and powers of company

26 (1) On the registration of the memorandum of a company the Registrar shall certify under his hand that the company is incorporated, and in the case of a limited company, that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, 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 power to hold lands, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Act.

(3) Subsections (4), (5) and (6) apply to a company which was incorporated before the first day of September, 1982, and which has not altered its memorandum of association pursuant to clause (c) of subsection (1) of Section 19 and subsection (2) of that Section.

(4) Every company, limited by shares, formed and registered under this Act, shall have, in like manner as if the same were included among the objects set out in its memorandum, all corporate powers, and all corporate capacity, necessary to enable it to do, in addition to the acts and things included in the objects set out in its memorandum, all or any of the following acts or things, to

(a) carry on any other business, whether manufacturing or otherwise, capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights;

(b) acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company;

(c) apply for, purchase or otherwise acquire any patents, trademarks, 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;

(d) enter into any arrangements for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the company, and to lend money to, guarantee the contracts of, or otherwise assist any such person or company;

(e) promote any company or companies for the purpose of acquiring or taking over 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;

(f) with the sanction of a special resolution, sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company;

(g) with the sanction of a special resolution, subscribe for, take or otherwise acquire and hold, shares and securities of any other

company 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;

(h) subject to the provisions of this Act with respect to reduction of capital, distribute among the members of the company *in specie* any property of the company, and in particular any shares, debentures or securities of any other company belonging to the company, or which the company may have power to dispose of;

(i) invest the moneys of the company not immediately required in the business of the company in such manner as may from time to time be determined by the company in general meeting but, where such investment consists of the purchase of shares, debentures or securities of any other company, only with the sanction of a special resolution;

(j) lend money to customers and others having dealings with the company and guarantee the performance of contracts by any such person;

(k) draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments;

(l) purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business, and in particular, any lands, buildings, easements, machinery, plant and stock-in-trade;

(m) issue fully paid shares, debentures or other securities of the company in payment or part payment of any property or rights which may be required by the company, or for any services or work done for the company, or in or towards the payment or satisfaction of debts or liabilities owing by the company;

(n) enter into arrangements with any authorities, governmental, municipal, local or otherwise, that may seem conducive to the attainment of the company's objects, or any of them, and obtain from any such authority any rights, privileges and concessions which the company may have capacity to receive and may think desirable to obtain, and carry out, exercise and comply with any such arrangements, rights, privileges and concessions;

(o) 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 dependents or relatives of such persons, and grant pensions and allowances, and make payments towards insurance, and subscribe or guarantee money for charitable or benevolent objects, or for any public, general or useful object;

(p) construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches, sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores, and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and contribute to, subsidize, or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;

(q) adopt such means of making known the business and 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 interest or of art, by publication of books, pamphlets or periodicals, and by granting prizes, rewards and donations;

(r) do all or any of the acts or things stated in clauses (a) to (q) and all things authorized by the memorandum of the company as principals, agents or contractors and either alone or in conjunction with others;

(s) do all such other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects and of the objects set out in the memorandum of the company.

(5) All or any of the rights and powers set out in subsection (4) may be excluded or modified by express provision in the memorandum of the company, either as originally framed or as altered in accordance with this Act.

(6) Any company limited by shares and formed and registered under Chapter 128 of the Revised Statutes, 1900, Chapter 19 of the Acts of 1921, or Chapter 174 of the Revised Statutes, 1923, may by complying with the provisions of this Act respecting alteration of memorandum, alter its memorandum to include all or any of the rights and powers set out in subsection (4).

(7) Subsections (8) to (12) apply to a company which is incorporated on or after the first day of September, 1982, or which has altered its memorandum of association pursuant to clause (c) of subsection (1) of Section 19 and subsection (2) of that Section.

(8) Subject to this Act, a company has the capacity, rights, powers and privileges of a natural person.

(9) A company may not

(a) sell or dispose of its undertaking, or a substantial part thereof;

(b) distribute any of its property *in specie* among its members, except in accordance with the provisions of this Act respecting reduction of capital; or

(c) amalgamate with any company or other body of persons,

unless approved by special resolution filed with the Registrar.

(10) *repealed 2007, c. 34, s. 12.*

(11) Subsection (9) does not apply where the powers set out in that subsection are expressly conferred upon the company in its memorandum of association.

(12) A company shall not carry out any object or exercise any power that is restricted by its memorandum of association from carrying out or exercising, nor shall the company carry out any of its objects or exercise any of its powers in a manner contrary to the memorandum.

(13) Subject to this Act, any company to which this Act applies, whether incorporated before, on or after the first day of August, 1935, shall not have its corporate existence and capacity limited to corporate existence and capacity within the Province, but every such company shall, subject to this Act, have and be deemed from its incorporation to have had corporate existence and capacity anywhere outside of the Province, and shall be capable

(a) of exercising all its functions as an incorporated company anywhere outside of the Province; and

(b) of accepting and receiving from any competent authority outside of the Province all or any rights and powers necessary to enable it to do outside of the Province any act or thing which under its memorandum and this Act it has right or power to do within the Province.

(14) Subsection (13) shall apply to a company notwithstanding that there is no express provision in its memorandum allowing it to exist for the purpose of carrying on business outside of the Province or allowing it to accept and receive extra-provincial rights and powers, and notwithstanding any inference to be derived from the name of the company.

(15) No company to which this Act applies, whether incorporated before, on or after the first day of August, 1935, shall have corporate existence or capacity outside of the Province

(a) to exercise outside of the Province any of its functions as an incorporated company which is required by this Act, to be exercised in the Province; or

(b) to accept or receive from any authority outside of the Province the right or power to do outside of the Province any act or thing which it is by this Act required to do in the Province.

(16) Subject to the preferences, privileges and voting powers or restrictions or qualifications granted or imposed in respect to any class of shares, each share without nominal or par value shall be equal to every other share of the same class.

(17) In the case of a company with shares of a class or series, the company shall maintain or be deemed to maintain a capital account for each class or series and, except to the extent that this Act or other law permits the addition of a lesser amount, there shall be added or deemed to have been added to the capital account maintained or deemed to be maintained for each class or series, at the time of issuance of the shares, whether issued before or after the coming into force of this subsection,

(a) in the case of a class or series of shares without nominal or par value, the total amount of the consideration for the issue and allotment of the shares of that class or series; and

(b) in the case of a class or series of shares with a nominal or par value, except to the extent that the shares are not fully paid, the total par value of the shares of that class or series that have been issued.

(18) Notwithstanding subsection (17), a company may, in respect of the issuance of shares of a class or series without nominal or par value, add to the capital account maintained for shares of such class or series, the whole or any part of the amount of the consideration that it receives for such shares if the company issues shares

(a) in exchange for

(i) property of a person who immediately before the exchange did not deal with the company at arm's length within the meaning of that expression in the *Income Tax Act* (Canada), or

(ii) shares of or another interest in a body corporate that immediately before the exchange, or because of the exchange, did not deal with the company at arm's length within the meaning of that expression in the *Income Tax Act* (Canada); or

(b) pursuant to an agreement referred to in subsection (2) of Section 134 or an arrangement referred to in Sections 130 or 131 or to shareholders of an amalgamating company who receive the shares in addition to or instead of securities of the amalgamated company; or

(c) in any other case, where permitted by law, if the person, the company and all the holders of shares in the class or series of shares so issued consent to the amount so added.

(19) Subject to subsection (20), a company may, at any time, including upon continuance under this Act, add to a capital account of a class or series of shares any amount it credited to retained earnings, share premium, contributed surplus or other surplus account, but, in the event such class or series of shares has a nominal or par value, the amount so added cannot cause the total amount of the capital account for such class or series of shares to exceed the total par value of all issued and outstanding shares of that class or series.

(20) Where a company proposes to add, pursuant to subsection (19), any amount to a capital account it maintains in respect of a class or series of shares, if

- (a) the amount to be added was not received by the company as consideration for the issue of shares of the class or series; and
- (b) the company has issued any outstanding shares of more than one class or series,

the addition to the capital account of such class or series of shares must be approved by special resolution.

(21) Where a body corporate is continued under this Act, subsections (17) and (18) do not apply to the consideration received by it before it was so continued, except in so far as any share in respect of which the consideration is received is issued after the company is so continued.

(22) Where a body corporate is continued under this Act, any amount unpaid in respect of a share of a class or series of shares issued by it before it was continued and paid after it was continued shall be added to the capital account maintained for such class or series of shares, unless already included therein, but, where such share has a nominal or par value, the amount so added will be the lesser of the amount so paid and the difference between the nominal or par value of that share and the amounts previously paid in respect of that share that have been previously credited to such capital account on or before continuance.

(23) Where a body corporate is continued under this Act, the capital account of each class and series of shares of the company immediately following its continuance is deemed to have been credited with an amount equal to

- (a) in the case of shares of a class or series without nominal or par value, the amount of the capital of the body corporate, whether referred to as stated capital, paid-up capital or otherwise, or such other amount as would be the nearest equivalent thereto in respect of such class or series of shares before its continuance under the laws by which it was then governed; and
- (b) in the case of shares of a class or series with nominal or par value, the lesser of the amount of the capital of the body corporate, whether referred to as stated capital, paid-up capital or otherwise, or such other amount as would be the nearest equivalent thereto in respect of such class or series of shares prior to its continuance

under the laws by which it was then governed, and the par value of the shares. R.S., c. 81, s. 26; 2007, c. 34, s. 12; 2008, c. 4, s. 4; revision corrected.

Members not bound by alteration

27 (1) Notwithstanding anything in the memorandum or articles of a company, but subject to subclause (xii) of clause (a) of subsection (1) of Section 19, no member of the company shall be bound by an alteration made in the memorandum or articles after the date on which he became a member, if and so far as the alteration requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made, or in any way increases his liability as at that date to contribute to the share capital of, or otherwise to pay money to, the company.

(2) This Section shall not apply in any case where the member agrees in writing, either before or after the alteration is made, to be bound thereby. R.S., c. 81, s. 27; 2007, c. 34, s. 13.

Evidence of registration and compliance

28 (1) A certificate of incorporation given by the Registrar in respect of any company shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the company is authorized to be registered and is duly registered under this Act.

(2) A statutory declaration by a solicitor of the Supreme Court engaged in the formation of the company or by a person signing the memorandum of association of the company, of compliance with all or any of the requirements shall be filed with the Registrar at the time of the filing of the memorandum and articles, if any, of association and the Registrar may accept such a declaration as sufficient evidence of compliance. R.S., c. 81, s. 28.

Duty to send memorandum

29 (1) Every company shall send to every member, at his request, and on payment of fifty cents or such less sum as the company may prescribe, a copy of the memorandum and of the articles, if any.

(2) If a company makes default in complying with the requirements of this Section, it shall be liable for each offence to a penalty not exceeding five dollars. R.S., c. 81, s. 29.

Assertions by guarantor

30 A company or a guarantor of an obligation of the company may not assert against a person dealing with the company or with any person who has acquired rights from the company that

(a) the memorandum of association or any articles of association have not been complied with;

(b) the persons named in the most recent notice sent to the Registrar under subsection (1) of Section 98 are not the directors and officers of the company;

(c) the place named in the most recent notice sent to the Registrar under subsection (1) of Section 79 is not the registered office of the company;

(d) a person held out by the company as a director, an officer or an agent of the company has not been duly appointed or has no authority to exercise the powers and perform the duties that are customary in the business of the company or usual for the director, officer or agent; or

(e) a document issued by any director, officer or agent of the company with actual or usual authority to issue the document is not valid or not genuine,

except where the person has or ought to have, by virtue of his position with or relationship to the company, knowledge to the contrary. R.S., c. 81, s. 30.

Registration not notice

31 No person is affected by or deemed to have notice or knowledge of the contents of a document concerning a company by reason only that the document is filed or registered pursuant to this Act with the Registrar or is available for inspection at an office of the company. 1982, c. 81, s. 31.

PART III

DISTRIBUTION AND REDUCTION OF SHARE CAPITAL, REGISTRATION OF UNLIMITED COMPANY AS LIMITED

SHARES AND SHARE REGISTER

Shares personal property

32 The shares or other interest of any member in a company shall be personal property, transferable in the manner provided by the articles of the company, and shall not be of the nature of real property. R.S., c. 81, s. 32.

Securities Transfer Act

33 Except as otherwise provided in this Act, the transfer or transmission of a security shall be governed by the *Securities Transfer Act*. 2010, c. 8, s. 107.

34 *repealed 2010, c. 8, s. 108.*

Members of company

35 (1) The subscribers to the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) Every other person who agrees to become a member of a company, and whose name is entered in its register of members, shall be a member of the company. R.S., c. 81, s. 35.

Trust not registered

36 No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the Registrar. R.S., c. 81, s. 36.

37 *repealed 2010, c. 8, s. 109.*

38 *repealed 2010, c. 8, s. 110.*

Notice of refusal to register

39 (1) If a company refuses to register a transfer of any shares or debentures, the company shall, within one week after the date on which the transfer was lodged with the company, send to the transferee notice of the refusal.

(2) If default is made in complying with this Section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a penalty not exceeding twenty-five dollars for every day during which the default continues. R.S., c. 81, s. 39.

Time for preparation of certificates

40 (1) Every company shall, within one week after the allotment of any of its shares, debentures or debenture stock, and within one week after the date on which a transfer of any such shares, debentures or debenture stock, is lodged with the company, complete and have ready for delivery the certificates of all shares, the debentures, and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

(2) If default is made in complying with this Section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a penalty not exceeding twenty-five dollars for every day during which the default continues.

(3) If any company on whom a notice has been served requiring the company to make good any default in complying with subsection (1) fails to make good the default within ten days after the service of the notice, the court may, on the application of the person entitled to have the certificates or the debentures delivered to him, make an order directing the company and any officer of the company to make good the default within such time as may be specified in the order, and the 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. R.S., c. 81, s. 40.

Acting on behalf of security holder

41 (1) A company whose memorandum of association or articles of association restrict the right to transfer its securities shall, and any other company may, treat a person referred to in clause (a), (b) or (c) as a security holder entitled to exercise all of the rights of the security holder that the person represents if that person furnishes evidence as described in Section 87 of the *Securities Transfer Act* to the company that the person is

(a) the executor, administrator, heir or legal representative of the heirs, of the estate of a deceased security holder;

(b) a guardian, representative with the authority to exercise the rights of a security holder, trustee or broker representing a registered security holder who is a minor, an incompetent person or a missing person;

(c) a liquidator of, or a trustee in bankruptcy for, a registered security holder.

(2) Where a person upon whom the ownership of a security devolves by operation of law, other than a person referred to in clause (a) of subsection (1), furnishes proof of the person's authority to exercise rights or privileges in respect of a security of the company that is not registered in the person's name, the company shall treat the persons as entitled to exercise those rights and privileges.

(3) Notwithstanding subsection (2), where the laws of the jurisdiction governing the transmission of a security of a deceased holder do not require a grant of probate or of letters of administration in respect of the transmission, a legal representative of the deceased holder is entitled subject to any applicable law of Canada or a province of Canada relating to the collection of taxes, to become a registered holder or to designate a registered holder, if the legal representative deposits with the corporation or its transfer agent

(a) any security certificate that was owned by the deceased holder; and

(b) reasonable proof of the governing laws, the deceased holder's interest in the security and the right of the legal representative or the person the legal representative designates to become the registered holder.

(4) Deposit of the documents required by subsection (2) or (3) empowers a company or its transfer agent to record in a securities register the transmission of a security from the deceased holder to a person referred to in clause (a) of subsection (1) or to such person as that person may designate and, thereafter, to treat the person who thus becomes a registered holder as the owner of those securities.

(5) When a security is issued to several persons as joint holders, upon satisfactory proof of the death of one joint holder, the company may treat the surviving joint holders as owners of the security. 2010, c. 8, s. 111; 2017, c. 4, s. 76.

Register of members

42 (1) Every company shall keep in one or more books or in any other manner a register of its members and enter therein the following particulars:

- (a) the names and addresses, and the occupations, if any, of the members, and in the case of a company having a share capital, a statement of the shares held by each member and of the amount paid or agreed to be considered as paid on the shares of each member;
- (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.

(2) If a company fails to comply with this Section it shall be liable to a penalty not exceeding twenty-five dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty. R.S., c. 81, s. 42.

Access to register of members

43 (1) The register of members, commencing from the date of the registration of the company, shall be kept at the registered office of the company or such other location as is designated by the directors of the company.

(2) The register or information contained in the register must be available for inspection and copying by

- (a) any member of the company, in the case of a company that is not a reporting issuer; and
- (b) by any person, in the case of a reporting issuer,

at the registered office, physically or by means of a computer terminal or other electronic technology during business hours, subject to such reasonable restrictions as the company in general meeting may impose, so that no less than two hours in each day is allowed for inspection.

(3) The register or information contained in the register must be available for inspection by any member of a company without charge and by any person referred to in clause (b) of subsection (2) on payment of five dollars and thirty cents, or such lesser sum as the company may prescribe, for each inspection.

(3A) Any person entitled to inspect the register or information contained in the register may require a copy of the register, or any part thereof, on payment of one dollar, or such lesser sum as the company may prescribe, for every page or part thereof required to be copied.

(4) A company may, on giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is

situate, close the register of members for any time or times not exceeding in the whole thirty days in each year.

(5) A person who claims to be entitled to inspect or receive a copy of the register, and who is not permitted to inspect or be furnished with a copy of the register, or any part thereof, as set out in this Section, may apply in writing to the Registrar for an order under subsection (6).

(6) Where, on application of a person referred to in subsection (5), it appears to the Registrar that the company failed to allow the inspection or provide a copy of the register, or part thereof, to the applicant, the Registrar may order the company to provide, within fifteen days from the date of the order, an affidavit or sworn declaration of a director or officer of the company stating the reasons why the company believes the applicant should not be permitted to inspect the register or be provided with a copy of the register, or part thereof.

(7) Following receipt of the affidavit or sworn declaration referred to in subsection (6), the Registrar shall provide a copy of the affidavit or sworn declaration to the applicant and shall either

(a) order the company to permit the applicant to inspect the register or provide the applicant with a copy of the register, or part thereof, on such terms and conditions as may be ordered by the Registrar; or

(b) refuse the applicant's request to inspect the register or receive a copy of the register, or part thereof.

(8) Where the company fails to provide the affidavit or sworn declaration within the time required under subsection (6), the Registrar may make an order under subsection (7).

(9) An applicant or the company may, on written notice to the other party and the Registrar, apply to the court for a review of a decision of the Registrar under this Section, and the court may make such order as it considers just. R.S., c. 81, s. 43; 2007, c. 34, s. 15.

Mistakes or rectifications or damages

44 (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 by motion for rectification of the register, and the court may either refuse the application or may order rectification of the register, and payment by the company of any damages sustained by any party aggrieved.

(2) On 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. R.S., c. 81, s. 44.

Register as evidence

45 The register of members shall be *prima facie* evidence of any matters by this Act directed or authorized to be inserted therein. R.S., c. 81, s. 45.

Branch register of members

46 (1) A company having a share capital may, if so authorized by its articles or by the directors, cause to be kept in any place outside of the Province a branch register of members, hereinafter in this Section called a “branch register of members”.

(2) The company shall give to the Registrar notice of the situation of the office where any branch register is kept, and of any change in its situation, and of the discontinuance of the office in the event of its being discontinued.

(3) A branch register of members shall be deemed to be part of the company’s register of members, hereinafter in this Section called the “principal register of members”.

(4) A branch register of members shall be kept in the same manner in which the principal register of members is by this Act required to be kept, except that the advertisement before closing the register shall be inserted in some newspaper circulated in the district wherein the branch register of members is kept.

(5) The company shall transmit to the location of its principal register a copy of every entry in its branch register of members as soon as may be after the entry is made, and shall cause to be kept at that location, duly entered up from time to time, a duplicate of its branch register of members, and the duplicate shall for all the purposes of this Act be deemed part of the principal register of members.

(6) Subject to the provisions of this Section with respect to the duplicate of the branch register, the shares registered in a branch register of members shall be distinguished from the shares registered in the principal register of members, and no transaction with respect to any shares registered in a branch register of members shall, during the continuance of that registration, be registered in any other register.

(7) On the death of a member registered in a branch register of members, the shares of the deceased member shall be transferable on the duplicate of the branch register at the location of the principal register and not elsewhere.

(8) The company may discontinue to keep any branch register of members, and thereupon all entries in that register shall be transferred to some other branch register of members kept by the company in the same country, or to the principal register of members.

(9) Subject to this Act, any company may by its articles make such provisions as it may think fit respecting the keeping of branch registers of members.

(10) The provisions of Section 43 relating to the provision of access to the principal register of members apply *mutatis mutandis* to any branch register authorized by this Section. R.S., c. 81, s. 46; 2007, c. 34, s. 16.

SHARE WARRANTS

Warrant for shares or stock

47 (1) A company limited by shares, if so authorized by its articles, may, with respect to any fully paid-up shares or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the shares or stock included in the warrant, in this Act termed a share warrant.

(2) A share warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant.

(3) The bearer of a share warrant shall, subject to the memorandum of association or articles of association of the company, be entitled, on surrendering it for cancellation, to have the bearer's name entered as a member in the register of members.

(4) 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 or stock specified in the warrant for being a director or manager of the company in cases where such a qualification is required by the articles.

(5) On the issue of a share warrant the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock 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 issue of the shares or stock included in the warrant; and
- (c) the date of the issue of the warrant.

(6) 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 must be entered as if it were the date at which a person ceased to be a member. R.S., c. 81, s. 47; 2010, c. 8, s. 112.

CALLS AND ACCUMULATED PROFITS

Payment and dividend arrangements

48 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 shareholders 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 a dividend 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., c. 81, s. 48.

DISTRIBUTION OF PROFITS

Reduction of paid up capital

49 (1) When a company limited by shares has accumulated a sum of undivided profits, which with the sanction of the shareholders may be distributed among the shareholders in the form of a dividend or bonus, it may, by special resolution, return the same, or any part thereof, to the shareholders in reduction of the paid-up capital of the company, the unpaid capital being thereby increased by a similar amount.

(2) The resolution shall not take effect until a statement showing the particulars required by this Act in the case of a reduction of share capital has been produced to and registered by the Registrar, but the other provisions of this Act with respect to reduction of share capital shall not apply to a reduction of paid-up capital under this Section.

(3) On a reduction of paid-up capital in pursuance of this Section any shareholder, or any one or more of several joint shareholders, may within one month after the passing of the resolution for the reduction, require the company to retain and the company shall retain accordingly, the whole of the money actually paid on the shares held by him either alone or jointly with any other person, which, in consequence of the reduction would otherwise be returned to him or them, and thereupon these shares shall, as regards the payment of dividend, be deemed to be paid up to the same extent only as the shares on which payment has been accepted by the shareholders in reduction of paid-up capital, and the company, shall invest and keep invested the money so retained in such securities authorized for invest-

ment by trustees as the company may determine, and on the money so invested or on so much thereof as from time to time exceeds the amount of calls subsequently made on the shares in respect of which it has been retained, the company shall pay the interest received from time to time on the securities.

(4) The amount retained and invested shall be held to represent the calls which may be made to replace the share capital so reduced on those shares, whether the amount obtained on sale of the whole or such portion thereof as represents the amount of any call when made produces more or less than the amount of the call.

(5) On a reduction of paid-up share capital in pursuance of this Section, the powers vested in the directors of making calls on shareholders in respect of the amount unpaid on their shares shall extend to the amount of the unpaid share capital as augmented by the reduction.

(6) After any reduction of share capital under this Section, the company shall specify in the statements of account laid before any general meeting of the company the amount of undivided profits returned in reduction of paid-up share capital under this Section. R.S., c. 81, s. 49; 2007, c. 34, s. 17.

ISSUE OF REDEEMABLE PREFERENCE SHARES AND SHARES AT DISCOUNT

Preference shares

50 (1) Subject to this Section and the provisions contained in its articles of association, a company limited by shares may issue preference shares which are, or at the option of the company are to be liable, to be redeemed or purchased by the company.

(2) There shall be included in every balance sheet of a company which has issued 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 or purchased by the company.

(3) Where any company has issued preference shares which by the provisions attaching thereto may be redeemed or purchased by the company, the company may, subject to subsections (5) to (16) of Section 51, redeem or purchase such shares on such terms and in such manner as may be provided by the articles of association of the company and by the provisions attaching to the said shares.

(4) Any term or provision in the memorandum or articles of association of a company whereby the rights of holders of such preferred shares are limited or restricted shall be fully set out in or endorsed on the certificate of the shares, and in the event of such limitation or restriction not being so set out or endorsed, they shall not be deemed to qualify the rights of the holders thereof.

(5) Where any such preference shares have been redeemed or purchased by the company, it shall, within one month after so doing, give notice thereof to the Registrar, specifying the number and value of the shares so redeemed or purchased and the amount at which each share was so redeemed or purchased. R.S., c. 81, s. 50; 2007, c. 34, s. 18.

INCREASE OF SHARE CAPITAL, CONSOLIDATION
AND CONVERSION OF SHARES

Alteration of memorandum

51 (1) to (3) *repealed 2007, c. 34, s. 19.*

(4) Subject to subsection (12), a cancellation of shares in pursuance of this Section shall not be deemed to be a reduction of share capital within the meaning of this Act.

(5) Subject to subsection (6) and to its memorandum of association, a company limited by shares or by guarantee may, if authorized by special resolution, purchase or otherwise acquire shares issued by it.

(6) A company limited by shares or by guarantee shall not make any payment to purchase or otherwise acquire shares issued by it if there are reasonable grounds for believing that

(a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of the company's assets would after the payment be less than the aggregate of its liabilities and paid up capital of all classes.

(7) Notwithstanding subsection (6) but subject to subsection (8) and its memorandum, a company limited by shares or by guarantee may, if authorized by special resolution, purchase or otherwise acquire shares issued by it to

(a) settle or compromise a debt or claim asserted by or against the company;

(b) eliminate fractional shares; or

(c) fulfil the terms of a non-assignable agreement under which the company has an option or is obliged to purchase shares owned by a director, an officer or an employee of the company.

(8) A company limited by shares or by guarantee shall not make any payment to purchase or acquire under subsection (7) shares issued by it if there are reasonable grounds for believing that

(a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of the company's assets would after the payment be less than the aggregate of its liabilities and the amounts required for payment on a redemption or in a liquidation of all shares the holders of which have the right to be paid prior to the holders of the shares to be purchased or acquired.

(9) Notwithstanding subsections (6) and (8) but subject to subsection (10) and its memorandum, a company limited by shares or by guarantee may purchase, redeem or otherwise acquire redeemable shares issued by it for an amount not exceeding the redemption price thereof.

(10) A company limited by shares or by guarantee shall not make any payment to purchase, redeem or acquire, pursuant to subsection (9), shares issued by it if there are reasonable grounds for believing that

(a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realizable value of the company's assets would after the payment be less than the aggregate of its liabilities and the amounts required for payment on a redemption or in a liquidation of all shares the holders of which have the right to be paid prior to or rateably with the holders of the shares to be purchased, redeemed or acquired.

(11) Where a company makes a payment to purchase, redeem or otherwise acquire shares issued by it pursuant to this Section, the company shall, within one month after so doing, give notice thereof to the Registrar, specifying the number and value of the shares so redeemed, purchased or otherwise acquired and the amount at which each share was so redeemed, purchased or otherwise acquired.

(12) Shares purchased, redeemed or acquired pursuant to subsection (5), (7) or (9) shall be cancelled and the authorized and issued capital is thereby decreased and, in the case of a company limited by shares or by guarantee the memorandum of association is amended accordingly.

(13) Upon the purchase, redemption or acquisition of shares pursuant to subsection (5), (7) or (9), the company shall deduct from the capital account maintained for the class or series of shares of which the shares purchased, redeemed or otherwise acquired form a part, an amount equal to the result obtained by multiplying the capital of the shares of that class or series by the number of shares of that class or series or fractions thereof purchased, redeemed or otherwise acquired, divided by the number of issued shares of that class or series immediately before the purchase, redemption or other acquisition.

(14) Notwithstanding subsections (5), (7) and (9), a company limited by shares or by guarantee may redeem or purchase any preference shares which are, or at the option of the company are to be liable, to be redeemed or purchased by the company, provided that

(a) no such shares shall be redeemed or purchased by the company except out of profits of the company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or purchase;

(b) no such shares shall be redeemed or purchased by the company unless they are fully paid;

(c) where any such shares are redeemed or purchased by the company 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 or purchasing the shares, and the provisions of this Act, including the provisions of this Section, relating to the reduction of the share capital of a company shall apply *mutatis mutandis* as if the capital redemption reserve fund were paid-up share capital of the company;

(d) where any such shares are redeemed or purchased by the company out of the proceeds of a fresh issue, the premium, if any, payable on redemption or purchases, must have been provided for out of the profits of the company before the shares are redeemed or purchased by the company.

(15) The redemption or purchase of preference shares under subsection (14) by a company shall not be taken as reducing the amount of a company’s authorized share capital, but subsection (13) applies.

(16) Nothing contained in this Section prevents a company purchasing or acquiring its own shares pursuant to the Third Schedule to this Act. R.S., c. 81, s. 51; 1990, c. 15, s. 5; 2007, c. 34, s. 19.

52 to 56 *repealed 2007, c. 34, s. 20.*

REDUCTION OF SHARE CAPITAL

Special resolution for reducing capital

57 (1) A company limited by shares or by guarantee may, where authorized pursuant to subsection (2), reduce its paid-up capital of any class or series of shares for any purpose including, without limiting the generality of the foregoing, the purpose of

(a) extinguishing or reducing a liability in respect of an amount unpaid on any share;

(b) either with or without extinguishing or reducing liability on any of its shares, paying or distributing to the holder of an issued share of any class or series of shares an amount not exceeding the paid-up capital of the class or series; and

(c) declaring its paid-up capital to be reduced, without payment or distribution, by an amount that is not represented by realizable assets or by such other amount as the company may see fit.

(2) A company limited by shares or by guarantee may not reduce its paid-up capital of any class or series of shares unless authorized to do so

(a) by special resolution, unless there are reasonable grounds for believing that

(i) the company is, or would after the reduction be, unable to pay its liabilities as they become due, or

(ii) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities; or

(b) by special resolution confirmed by court order,

and, in the case of a reduction of the paid-up capital of a class or series of shares with nominal or par value, such resolution shall, to the extent necessary, subject to confirmation by the court if required, alter the company's memorandum by reducing the amount of its share capital and shares accordingly.

(3) A creditor of a company limited by shares or by guarantee is entitled to apply to the court for an order compelling a shareholder or other recipient

(a) to pay to the company an amount equal to any liability of the shareholder that was extinguished or reduced contrary to this Section; or

(b) to pay or deliver to the company any money or property that was paid or distributed to the shareholder or other recipient as a consequence of a reduction of capital made contrary to this Section.

(4) An unlimited company may, where so authorized pursuant to subsection (5), reduce its paid-up capital of any class or series of shares for any purpose including, without limiting the generality of the foregoing, the purpose of

(a) extinguishing or reducing a liability in respect of an amount unpaid on any share;

(b) either with or without extinguishing or reducing liability on any of its shares, paying or distributing to the holder of an issued share of any class or series of shares an amount not exceeding the paid-up capital of the class or series; and

(c) declaring its paid-up capital to be reduced, without payment or distribution, by an amount that is not represented by realizable assets or by such other amount as the company may see fit.

(5) An unlimited company may not reduce its paid-up capital of any class or series of shares unless authorized to do so

- (a) in the manner provided in its articles; or
- (b) by special resolution,

and shall, in the case of a reduction of the paid-up capital of a class or series of shares with nominal or par value, alter its articles by reducing the amount of its share capital and of its shares accordingly.

(6) Where a company has issued more than one class or series of shares, a special resolution referred to in subsections (2) or (5), must specify the capital account or accounts from which the paid-up capital returned, cancelled or otherwise extinguished will be deducted.

(7) Where an unlimited company has issued more than one class or series of shares and a reduction of paid-up capital is authorized by a provision in its articles pursuant to clause (a) of subsection (5), the provision must include a means to ascertain from which capital account or accounts the paid-up capital returned, cancelled or otherwise extinguished will be deducted. 2007, c. 34, s. 21.

Confirmation orders

58 Where the shareholders of a company limited by shares or by guarantee have passed a special resolution pursuant to clause (b) of subsection (2) of Section 57 authorizing the reduction of paid-up capital, the company may apply by petition to the court for an order confirming the reduction and Sections 59 to 67 apply. 2007, c. 34, s. 21.

Where proposed reduction of paid-up capital

59 (1) Where the proposed reduction of the paid-up capital involves either diminution of liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital and in any other case if the court so directs, the following provisions shall have effect, subject nevertheless to subsection (2):

(a) 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;

(b) 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;

(c) where a creditor entered on the list whose debt or claim is not discharged or has not 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:

- (i) if the company admits the full amount of the debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim,
- (ii) if the company does not admit and 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 the like inquiry and adjudication as if the company were being wound up by the court.

(2) Where a proposed reduction of the paid-up capital involves either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital, the court may, if having regard to any special circumstances of the case it thinks proper so to do, direct that subsection (1) shall not apply as regards any class or any classes of creditors. R.S., c. 81, s. 59; 2007, c. 34, s. 22.

Orders confirming terms of reductions

60 (1) The court, if satisfied with respect to every creditor of the company who under Section 59 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 reduction on such terms and conditions as it thinks fit.

(2) Where the court makes any such order, it may

(a) if for any special reason it thinks proper so to do, make an order directing 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

(b) make an order requiring the company to publish as the court directs the reasons for reduction or such other information in regard thereto as the court may think expedient with a view to giving proper information to the public, and, if the court thinks fit, the causes which led to the reduction.

(3) Where a company is ordered to add to its name the words “and reduced” those words shall, until the expiration of the period specified in the order, be deemed to be part of the name of the company. R.S., c. 81, s. 60.

Registration of orders

61 (1) The Registrar, on the delivery to him of a copy of an order of the court certified by the prothonotary or clerk confirming the reduction of the paid-up capital of a company and, in the case of a reduction of the paid-up capital of shares with a nominal or par value, of a minute approved by the court showing with

respect to the share capital of the company, as altered by the order, the amount of the share capital, the number of shares into which it is to be divided, and the amount of each share, and the amount, if any, at the date of the registration deemed to be paid up on each share, shall register the copy of the order and the minute.

(2) On the registration, and not before, the resolution for reducing the paid-up capital, as confirmed by the order so registered, shall take effect.

(3) Notice of the registration shall be published in such manner as the court may direct.

(4) The Registrar shall certify under his hand the registration of the copy of the order and the minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of the paid-up capital have been complied with and, in the case of a reduction of the paid-up capital of shares with a nominal or par value, that the share capital of the company is such as stated in the minute. R.S., c. 81, s. 61; 2007, c. 34, s. 23.

Minute part of memorandum

62 The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and must be embodied in every copy of the memorandum issued after its registration. R.S., c. 81, s. 62.

Liability for default

63 If a company makes default in complying with the requirements of Section 62 it shall be liable to a penalty not exceeding five dollars for each copy in respect of which default is made, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty. R.S., c. 81, s. 63.

64 *repealed 2007, c. 34, s. 24.*

Penalty for concealing creditors

65 If any director, manager or officer of the company 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, or if any director or manager of the company aids or abets in or is privy to any such concealment or misrepresentation as aforesaid, every such director, manager or officer shall be liable to a penalty not exceeding five hundred dollars. R.S., c. 81, s. 65.

Publication orders

66 In any case of reduction of share capital, the court may require the company to publish as the court directs the reasons for reduction, or such other information in regard thereto as the court may think expedient with a view to giving

proper information to the public, and, if the court thinks fit, the causes which led to the reduction. R.S., c. 81, s. 66.

Application

67 A company limited by guarantee and registered on or after the first day of August, 1935, may, if it has a share capital, and is so authorized by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company limited by shares may increase or reduce its share capital under the provisions of this Act. R.S., c. 81, s. 67.

REGISTRATION OF UNLIMITED COMPANY AS LIMITED

Effect of registration and procedure

68 (1) Subject to this Section, any company registered as unlimited may register under this Act as limited, but the registration of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of the company before the registration.

(2) On registration in pursuance of this Section the Registrar shall close the former registration of the company, and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company, but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Act. R.S., c. 81, s. 68.

Powers of company

69 An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Act, do either or both of the following, namely:

- (a) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the condition that no part of the increased capital shall be capable of being called up except in the event and for the purpose of the company being wound up;
- (b) provide that a special portion of its uncalled share capital shall not be capable of being called up except in the event and for the purposes of the company being wound up. R.S., c. 81, s. 69.

RESERVE LIABILITY OF LIMITED COMPANY

Restricting calls

70 A limited company may by special resolution determine that any portion of its share capital which has not been entirely called up shall not be capable of being called up except in the event and for the purposes of the company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in the event and for the purposes aforesaid. R.S., c. 81, s. 70.

RECEIVERS AND RECEIVER-MANAGERS

Powers

71 A receiver of any property of a company may, subject to the rights of secured creditors, receive the income from the property and pay the liabilities connected with the property and realize the security interest of those on behalf of whom he is appointed, but, except to the extent permitted by a court, he may not carry on the business of the company. R.S., c. 81, s. 71.

Carrying on business

72 A receiver of a company may, if he is also appointed receiver-manager of the company, carry on any business of the company to protect the security interest of those on behalf of whom he is appointed. R.S., c. 81, s. 72.

Assumption of directors duties

73 If a receiver-manager is appointed by a court or under an instrument, the powers of the directors of the company that the receiver-manager is authorized to exercise may not be exercised by the directors until the receiver-manager is discharged. R.S., c. 81, s. 73.

Court directions

74 A receiver or receiver-manager appointed by a court shall act in accordance with the directions of the court. R.S., c. 81, s. 74.

Directions by instrument

75 A receiver or receiver-manager appointed under an instrument shall act in accordance with that instrument and any direction of a court made under Section 77. R.S., c. 81, s. 75.

Responsibility of receiver

76 A receiver or receiver-manager of a company appointed under an instrument shall

- (a) act honestly and in good faith; and
- (b) deal with any property of a company in his possession or control in a commercially reasonable manner. R.S., c. 81, s. 76.

Court orders

77 Upon an application by a receiver or receiver-manager, whether appointed by a court or under an instrument, or upon an application by any interested person, a court may make any order it thinks fit including, without limiting the generality of the foregoing,

- (a) an order appointing, replacing or discharging a receiver or receiver-manager and approving his accounts;

- (b) an order determining the notice to be given to any person, or dispensing with notice to any person;
- (c) an order fixing the remuneration of the receiver or receiver-manager;
- (d) an order requiring the receiver or receiver-manager, or a person by or on behalf of whom he is appointed, to make good any default in connection with the receiver's or receiver-manager's custody or management of the property and business of the company, or to relieve any such person from any default on such terms as the court thinks fit, and to confirm any act of the receiver or receiver-manager;
- (e) an order giving directions on any matter relating to the duties of the receiver or receiver-manager. R.S., c. 81, s. 77.

Duties of receiver

78 A receiver or receiver-manager shall

- (a) immediately notify the Registrar of his appointment and discharge;
- (b) take into his custody and control the property of the company in accordance with a court order or instrument under which he is appointed;
- (c) open and maintain a bank account in his name as receiver or receiver-manager of the company for the monies of the company coming into his control;
- (d) keep detailed accounts of all transactions carried out by him as receiver or receiver-manager;
- (e) keep accounts of his administration that shall be available during usual business hours for inspection by the directors of the company; and
- (f) upon completion of his duties, render a final account of his administration to the Registrar in a form satisfactory to the Registrar. R.S., c. 81, s. 78.

PART IV**MANAGEMENT AND ADMINISTRATION****OFFICE AND NAME****Registered office in Province**

79 (1) Every company shall as from the day on which it begins to carry on business or as from the twenty-eighth day after the date of its incorporation, whichever is the earlier, have a registered office in the Province, to which all communications and notices may be addressed.

(2) Notice of the situation of the registered office, and of any change therein, shall be given within twenty-eight days after the date of the incorporation of the company or of the change, as the case may be, to the Registrar, who shall record the same, and the notice shall, where possible, state the street and number where the registered office is situated, or shall otherwise sufficiently identify the situation of the office.

(3) If a company carries on business without complying with this Section it shall be liable to a penalty not exceeding twenty-five dollars for every day during which it so carries on business. R.S., c. 81, s. 79.

Company name

80 (1) Every limited company shall

(a) paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible;

(b) have its name engraven in legible characters on its seal; and

(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) If a limited company does not paint or affix, and keep painted or affixed, its name in manner directed by this Act, it shall be liable to a penalty not exceeding twenty-five dollars for not so painting or affixing its name, and for every day during which its name is not kept painted or affixed, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to like penalty.

(3) Where a company's name is in more than one language form, the company may be legally designated by any such form and, unless expressly required by law to use a particular language form or all language forms of its name, it may use any one language form of its name by itself in any case where its name is required to be used.

(4) Notwithstanding any provision of this Act, a limited company with the word "Incorporated" or the word "Incorporée" as part of its name may use as part of the name of the company the word "Incorporated" or the word "Incorporée", or both, and may substitute for these words the abbreviation "Inc." and reference to the company may be made in the same manner.

(5) Notwithstanding any provision of this Act, a limited company with the word "Limited" or the word "Limitée" as part of its name may use as part of the name of the company the word "Limited" or the word "Limitée", or both, and

may substitute for these words the abbreviation “Ltd.” or “Ltée” and reference to the company may be made in the same manner.

(6) If any director, manager or officer of a limited company, or any person on its behalf

(a) uses or authorizes the use of any seal purporting to be the seal of the company whereon its name is not engraven as aforesaid;

(b) issues or authorizes the issue of any notice, advertisement or other official publication of the company;

(c) signs or authorizes to be signed on behalf of the company any bill of exchange, promissory note, endorsement, cheque, order for money or goods; or

(d) issues or authorizes to be issued any bill of parcels, invoice, receipt or letter of credit of the company,

wherein its name is not mentioned in manner aforesaid, he shall be liable to a penalty not exceeding two hundred dollars, and shall further be personally liable to the holder of any such bill of exchange, promissory note, cheque or order for money or goods, for the amount thereof, unless the same is fully paid by the company.

(7) A company may carry on business using any name which it has registered under the *Partnerships and Business Names Registration Act* as well as its proper corporate name.

(8) Where it is proved to the satisfaction of the Governor in Council that an association about to be formed as a company limited by guarantee is to be formed for promoting art, science, religion, education or any charitable, patriotic or other useful object, 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 Governor in Council may by order in council direct that the association, upon complying with the other provisions of this Act with respect to incorporation, be registered as a company limited by guarantee as defined by clause (b) of Section 9, without the addition of the word “Incorporated”, “Incorporée”, “Limited” or “Limitée”, and the association may be registered accordingly.

(9) The Governor in Council may by such order in council direct that such registration be granted on such conditions and subject to such regulations as the Governor in Council thinks fit, and such conditions and regulations shall be binding on the association and shall, if the Governor in Council so directs, be inserted in the memorandum and articles, or in either one of those documents.

(10) The Governor in Council, may by such order in council, notwithstanding anything contained in this Act, or in the Schedules to this Act, direct that such association shall be registered without the payment of any fees or on the payment of such fees as the Governor in Council thinks fit.

(11) The association shall on registration enjoy all the privileges of companies limited by guarantee, and be subject to all their obligations, except those of using the word “Incorporated”, “Incorporée”, “Limited” or “Limitée” as any part of its name, and of publishing its name and of sending lists of members and directors and managers to the Registrar.

(12) The Governor in Council may by order in council at any time revoke such registration and upon revocation the Registrar shall enter the word “Incorporated”, “Incorporée”, “Limited” or “Limitée” at the end of the name of the association upon the register and the association shall cease to enjoy the exemptions and privileges granted by this Section, provided, that before such registration is so revoked, the Governor in Council shall give to the association notice in writing of his intention and shall afford the association an opportunity of being heard in opposition to the revocation.

(13) A company, as described in subsection (8), which has been registered with the word “Incorporated”, “Incorporée”, “Limited” or “Limitée” as the last word in its name, may, by special resolution and with the approval of the Governor in Council, change its name by omitting the word “Incorporated”, “Incorporée”, “Limited” or “Limitée”, and upon such change being made, the Registrar shall amend the register accordingly and issue a certificate of incorporation altered to meet the circumstances of the case.

(14) Subsections (11) and (12) shall apply to a company whose name has been changed under subsection (13) as though it had been originally registered without the addition of the word “Incorporated”, “Incorporée”, “Limited” or “Limitée” as part of its name. R.S., c. 81, s. 80; 2007, c. 34, s. 25; revision corrected.

Penalty for improper incorporation

81 If any person or persons trade or carry on business under any name or title of which “Incorporated”, “Incorporée”, “Limited” or “Limitée” or any contraction thereof is the last word, that person or each of those persons shall, unless duly incorporated with limited liability, be liable to a penalty not exceeding twenty-five dollars for every day upon which the name or title has been used. R.S., c. 81, s. 81; 2007, c. 34, s. 26; revision corrected.

Penalty for use of incorrect name

82 If a company carries on business under any name or title other than the name under which it is registered under this Act or any name which it has registered under the *Partnerships and Business Names Registration Act*, the company shall be liable to a penalty not exceeding twenty-five dollars for every day upon which it so carries on business and every director, manager, secretary or other officer of the company who knowingly and wilfully authorizes or permits the carrying on of business as aforesaid shall be liable to the like penalty. R.S., c. 81, s. 82.

MEETINGS AND PROCEEDINGS

Annual meeting

83 (1) A general meeting of every company shall be held once at the least in every calendar year and not more than fifteen months after the holding of the last preceding general meeting, and, if not so held, the company and every director, manager, secretary and other officer of the company, who is knowingly a party to the default, shall be liable to a penalty not exceeding two hundred dollars.

(2) When default has been made in holding a meeting of the company in accordance with this Section, the court may, on the application of any member of the company, call or direct the calling of a general meeting of the company. R.S., c. 81, s. 83.

Special meeting

84 (1) Notwithstanding anything in the articles of a company, the directors of a company shall on the requisition of the holders of not less than one tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to convene a special general meeting of the company.

(2) The requisition must state the objects of the meeting and must 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 proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists, or a majority of them in value, may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.

(4) If at any such meeting a resolution requiring confirmation at another meeting is passed, the directors shall forthwith convene a further special general meeting for the purpose of considering the resolution and, if thought fit, of confirming it as a special resolution, and if the directors do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or a majority of them in value, may themselves convene the meeting.

(5) 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 the directors. R.S., c. 81, s. 84.

Calling meetings

85 In default of, and subject to, any regulations in the articles,

- (a) a meeting of a company may be called by seven days notice in writing, served on every member in manner in which notices are required to be served by Table A in the First Schedule to this Act;
- (b) five members may call a meeting;
- (c) any person elected by the members present at a meeting may be chairman thereof;
- (d) every member shall have one vote. R.S., c. 81, s. 85.

PROXIES

Interpretation of Sections 85A to 85F

85A In Sections 85A to 85F,

- (a) “dissident’s information circular” means the circular referred to in clause (b) of subsection (1) of Section 85D;
- (b) “form of proxy” means a written or printed form that, upon completion and execution by or on behalf of a member, becomes a proxy;
- (c) “management information circular” means the circular referred to in clause (a) of subsection (1) of Section 85D;
- (d) “proxy” means a completed and executed form of proxy by means of which a member has appointed a proxyholder to attend and act on the member’s behalf at a meeting of the company;
- (e) “solicitation” includes
 - (i) a request for a proxy whether or not accompanied by or included in a form of proxy,
 - (ii) a request to execute or not to execute a form of proxy or to revoke a proxy,
 - (iii) the sending of a form of proxy or other communication to a member under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy, and
 - (iv) the sending of a form of proxy to a member pursuant to Section 85C,
 but does not include
 - (v) the sending of a form of proxy in response to an unsolicited request made by or on behalf of a member,
 - (vi) the performance of administrative acts or professional services on behalf of a person soliciting a proxy,
 - (vii) the sending of material pursuant to Section 55 of the *Securities Act*, or
 - (viii) a solicitation by a person in respect of shares of which that person is the beneficial owner;

(f) “solicitation by or on behalf of the management of the company” means a solicitation by any person under a resolution or the instructions of the directors of that company or a committee of such directors. 1990, c. 15, s. 6.

Proxy

85B (1) Every member entitled to vote at a meeting of the company may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be members, as that member’s nominee to attend and act at the meeting, to the extent and with the authority conferred by the proxy.

(2) A proxy shall be executed by the member or the member’s attorney authorized in writing or, if the member is a corporation, whether a company within the meaning of this Act or not, by an officer or attorney thereof duly authorized or by a representative authorized in the manner referred to in clause (a) of subsection (1) of Section 86 and, in the case of a proxy appointing a proxyholder to attend and act at a meeting or meetings of a reporting issuer, ceases to be valid one year from its date.

(3) Every form of proxy shall comply with the regulations.

(4) A member may revoke a proxy

(a) by depositing an instrument in writing executed by the member or by the member’s attorney authorized in writing,

(i) at the registered office of the company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or

(ii) with the chairman of the meeting on the day of the meeting or an adjournment thereof; or

(b) in any other manner permitted by law.

(5) The directors may, by resolution, fix a time not exceeding forty-eight hours excluding Saturdays and holidays preceding any meeting or adjourned meeting of the company before which time proxies to be used at that meeting must be deposited with the company or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. 1990, c. 15, s. 6.

Form of proxy to member

85C The management of a reporting issuer shall, concurrently with or prior to sending notice of a meeting of a company, send a form of proxy to each member who is entitled to receive notice of the meeting. 1990, c. 15, s. 6.

Restriction on solicitation of proxies

85D (1) No person shall solicit proxies in respect of a reporting issuer unless

(a) in the case of solicitation by or on behalf of the management of the company, a management information circular in prescribed form, either as an appendix to or as a separate document accompanying the notice of the meeting; or

(b) in the case of any other solicitation, a dissident's information circular in prescribed form,

is sent to the auditor of the company, to each member whose proxy is solicited and, if clause (b) applies, to the company.

(2) A person, upon sending a management information circular or dissident's information circular, shall concurrently file with the Registrar,

(a) in the case of a management information circular, a copy thereof together with a copy of the notice of meeting, form of proxy and any other documents for use in connection with the meeting; and

(b) in the case of a dissident's information circular, a copy thereof together with a copy of the form of proxy and of any other documents for use in connection with the meeting. 1990, c. 15, s. 6.

Exemption

85E Upon the application of any interested person, the Commission may, if satisfied in the circumstances of the particular case that there is adequate justification for so doing, make an order, on such terms and conditions as the Commission may impose, exempting, in whole or in part, any person from the requirements of Sections 85C or 85D. 1990, c. 15, s. 6.

Attendance by and rights of proxyholder

85F (1) A person who solicits a proxy and is appointed a proxyholder shall attend in person or cause an alternate proxyholder to attend the meeting in respect of which the proxy is given and comply with the directions of the member who appointed the person.

(2) A proxyholder or an alternate proxyholder has the same rights as the member who appointed him to speak at a meeting of the company in respect of any matter, to vote by way of ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one member, to vote at such meeting in respect of any matter by way of a show of hands.

(3) Notwithstanding subsections (1) and (2), where the chairman of the meeting of a company declares to the meeting that, to the best of the chairman's belief, if a ballot is conducted, the total number of votes attached to the shares

represented at the meeting by proxy required to be voted against what will be the decision of the meeting in relation to any matter or group of matters is less than five per cent of all the votes that might be cast at the meeting on such ballot, and where a member, proxyholder or alternate proxyholder does not demand a ballot,

(a) the chairman may conduct the vote in respect of that matter or group of matters by a show of hands; and

(b) a proxyholder or alternate proxyholder may vote in respect of that matter or group of matters by a show of hands. 1990, c. 15, s. 6.

Representative of body corporate

86 (1) A body corporate, whether a company within the meaning of this Act or not, may

(a) if it is a member of another body corporate, being a company within the meaning of this Act, 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 at any meeting of any class of members of the company;

(b) if it is a creditor, including a holder of debentures of another body corporate, being a company within the meaning of this Act, 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 any creditors of the company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

(2) A person authorized as aforesaid shall be entitled to exercise the same powers on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual shareholder, creditor or holder of debentures of that other company. R.S., c. 81, s. 86; 2007, c. 34, s. 27.

SPECIAL RESOLUTIONS

Special resolution

87 (1) Subject to subsection (2), a resolution is deemed to be special whenever it has been passed by

(a) in the case of a company incorporated before the coming into force of this subsection, a majority of not less than three fourths of the votes cast by the members of the company who voted in person or by proxy at any general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given; and

(b) in the case of a company incorporated on or after the coming into force of this subsection, by a majority of not less than two thirds of the votes cast by the members of the company who

voted in person or by proxy at any general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

(2) Notwithstanding clause (a) of subsection (1), a company incorporated before the coming into force of this subsection may adopt clause (b) of subsection (1) by special resolution in accordance with the requirements of clause (a) of subsection (1), and clause (b) of subsection (1) shall apply to all further special resolutions commencing on the date the special resolution approving the change is filed.

(3) At any meeting at which a special resolution is submitted to be passed, 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.

(4) At any meeting at which a special resolution is submitted to be passed a poll may be demanded, if demanded by three persons for the time being entitled according to the articles to vote, unless the articles of the company require a demand by such number of such persons, not in any case exceeding five, as may be specified in the articles.

(5) 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.

(6) For the purposes of this Section, notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in the manner provided by the articles. R.S., c. 81, s. 87; 2007, c. 34, s. 28.

Record of special resolutions

88 (1) A copy of every special resolution shall, within fifteen days from the passing thereof, be printed and forwarded to the Registrar, who shall record the same.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the passing of the resolution.

(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of twenty-five cents or such less sum as the company may direct.

(4) If a company makes default in printing or forwarding a copy of a special resolution to the Registrar, it shall be liable to a penalty not exceeding ten dollars for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member when required by this Section a copy of a special resolution, it shall be liable to a penalty not exceeding five dollars for each copy in respect of which default is made.

(6) Every director and manager of a company who knowingly and wilfully authorizes or permits any default by the company in complying with this Section shall be liable to the like penalty as is imposed by this Section on the company for the default.

(7) For the purposes of this Section, “printed” includes printed, typewritten or otherwise mechanically reproduced. R.S., c. 81, s. 88; 2007, c. 34, s. 29.

MINUTES

Minutes to be kept

89 (1) Every company shall cause minutes of all proceedings of general meetings and, where there are directors or managers, 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 chairman or secretary of the meeting at which the proceedings were had, or by the chairman or secretary of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company 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) The books required by this Section to be kept may be loose-leaf books.

(5) The company shall take adequate precautions for guarding against the risk of falsifying the information recorded in the books required by this Section. R.S., c. 81, s. 89; 2007, c. 34, s. 30.

Location and accessibility of minute books

90 (1) The books containing the minutes of proceedings of any general meeting of a company shall be kept at the registered office of the company or such other location as is designated by the directors.

(1A) The minutes referred to in subsection (1) must be available for inspection by any member without charge at the registered office, physically or by means of a computer terminal or other electronic technology during business hours, subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that no less than two hours in each day be allowed for inspection.

(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 as aforesaid at a charge not exceeding one dollar for every page or part of a page required to be copied.

(3) Any member who claims to be entitled to inspect or receive a copy of any minutes, and who is not permitted to inspect or be furnished with a copy of the minutes as set out in this Section, may apply, in writing, to the Registrar for an order under subsection (4).

(4) Where, on application of a member referred to in subsection (3), it appears to the Registrar that the company failed to allow the inspection or provide the minutes to the applicant, the Registrar may order the company to provide, within fifteen days from the date of the order, an affidavit or sworn declaration of a director or officer of the company stating the reasons why the company believes the applicant should not be permitted to inspect the minutes or be provided with a copy of the minutes.

(5) Following receipt of the affidavit or sworn declaration referred to in subsection (4), the Registrar shall provide a copy of the affidavit or sworn declaration to the applicant and shall either

(a) order the company to permit the applicant to inspect the minutes or provide the applicant with a copy of the minutes, on such terms and conditions as may be ordered by the Registrar; or

(b) refuse the applicant's request to inspect the minutes or receive a copy of the minutes.

(6) Where the company fails to provide the affidavit or sworn declaration within the time required under subsection (4), the Registrar may make an order under subsection (5).

(7) An applicant or the company may, on written notice to the other party and the Registrar, apply to the court for a review of a decision of the Registrar under this Section, and the court may make such order as it considers just. R.S., c. 81, s. 90; 2007, c. 34, s. 31.

DIRECTORS' RESOLUTIONS

Without meeting

91 (1) A resolution in writing and signed by every director who would be entitled to vote on the resolution at a meeting of the directors or a committee of directors is as valid as if it were passed by such directors at a meeting of the directors or a committee of directors.

(2) A copy of every resolution referred to in subsection (1) shall be kept with the minutes of proceedings of the directors or committee thereof, as the case may be. R.S., c. 81, s. 91; 2007, c. 34, s. 32.

Shareholder resolutions without meeting

92 (1) A resolution, including a special resolution, in writing and signed by every shareholder who would be entitled to vote on the resolution at a meeting is as valid as if it were passed by such shareholders at a meeting and satisfies all the requirements of this Act respecting meetings of shareholders.

(2) A copy of every resolution referred to in subsection (1) shall be kept with the minutes of proceedings of general meetings. R.S., c. 81, s. 92; 2007, c. 34, s. 33.

**APPOINTMENT, QUALIFICATION
AND REGISTER OF DIRECTORS****Director required**

93 Every company registered on or after the first day of August, 1935, shall have at least one director. R.S., c. 81, s. 93.

Prerequisites for and listing of directors

94 (1) A person shall not be capable of being appointed a director of a company by the articles, unless before the registration of the articles, that person has by himself or by that person's agent authorized in writing

(a) signed and delivered to the Registrar for registration a consent in writing to act as director; and

(b) either

(i) signed the memorandum for a number of shares not less than his qualifications, if any,

(ii) taken from the company and paid or agreed to pay for his qualification shares, if any,

(iii) signed and delivered to the Registrar for registration an undertaking in writing to take from the company and pay for his qualification shares, if any, or

(iv) made and delivered to the Registrar for registration a statutory declaration to the effect that a number of shares, not less than his qualification, if any, are registered in his name.

(2) Where a person has signed and delivered as aforesaid an undertaking to take and pay for his qualification shares, he shall, as regards those shares, be in the same position as if he had signed the memorandum for that number of shares.

(3) On the application for registration of the memorandum and articles of a company the applicant shall deliver to the Registrar a list of the persons who have consented to be directors of the company, and, if this list contains the

name of any person who has not so consented, the applicant shall be liable to a penalty not exceeding one hundred dollars.

- (4) This Section shall not apply to
- (a) a company not having a share capital;
 - (b) *repealed 1990, c. 15, s. 7.*
 - (c) a memorandum where there is only one subscriber.
- R.S., c. 81, s. 94; 1990, c. 15, s. 7.

Duty to obtain qualification

95 (1) It shall be the duty of every director who is by the regulations of the company required to hold a specified share qualification, and who is not already qualified, to obtain his qualification within three months after his appointment, or such shorter time as is fixed by the regulations of the company.

(2) For the purpose of any provision in the articles requiring a director or manager to hold a specified share qualification, the bearer of a share warrant shall not be deemed to be the holder of the shares specified in the warrant.

(3) The office of director of a company shall be vacated, if the director does not within three months from the date of his appointment, or within such shorter time as is fixed by the regulations of the company, obtain his qualification, 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.

(4) If, after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a penalty not exceeding twenty-five dollars for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director. R.S., c. 81, s. 95.

Penalty for bankrupt director

96 If a person having been adjudged bankrupt or having made an authorized assignment on or after the first day of August, 1935, acts as director of, or directly or indirectly takes part in or is concerned in the management of, any company he shall, unless and until he has been granted an order of discharge under the *Bankruptcy Act* (Canada), be liable on conviction to imprisonment for a term not exceeding twelve months or to a penalty not exceeding five hundred dollars or to both such imprisonment and penalty. R.S., c. 81, s. 96.

Validity of managerial acts

97 The acts of a director or manager shall be valid notwithstanding any defect that is afterwards discovered in his appointment or qualification. R.S., c. 81, s. 97.

Record of pertinent facts

98 (1) Every company shall keep at its registered office a register containing the names and addresses of its directors, officers and managers, and send to the Registrar a copy thereof, and from time to time notify the Registrar of any change among its directors, officers or managers.

(2) Such copy shall be filed with the Registrar within fourteen days from the appointment of the first directors of the company and such notification shall be given to the Registrar within fourteen days of the happening thereof.

(3) If default is made in compliance with this Section the company shall be liable to a penalty not exceeding twenty-five dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

(4) The filing of an annual statement pursuant to the *Corporations Registration Act* is compliance with subsection (1) if the statement contains the information and is filed within the time required by subsection (1). R.S., c. 81, s. 98; 1998, c. 8, s. 19.

Conflict of interest

99 (1) Subject to this Section, it shall be the duty of a 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 required by this Section to be made by a director 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 in a case where the director becomes interested in a contract after it is made, the 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 a 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 deemed to be a sufficient declaration of interest in relation to any contract so made.

(4) Any director who fails to comply with this Section shall be liable to a penalty not exceeding one hundred dollars.

(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., c. 81, s. 99.

Statement of remuneration

100 (1) Subject as hereinafter provided, 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 at the next annual meeting a statement, certified as correct, or with such qualifications as may be necessary, by the auditors of the company, if any, and if there are no auditors, then by the director of the company if there is only one director or by two directors of the company if there is more than one director, showing as respects each of the last three 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 or other emoluments by persons being directors of the company, whether as such directors or otherwise in connection with the management of the affairs of the company, and there shall, 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,

be included in the said aggregate amount any remuneration or other emoluments 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, provided that

(c) a demand for a statement under this Section shall be of no effect if the company within one month after the date on which the demand is made resolve that the statement shall not be furnished; and

(d) it shall be sufficient to state the total aggregate of all sums paid to or other emoluments received by all the directors in each year without specifying the amount received by any individual.

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

(3) If a director fails to comply with the requirements of this Section, he shall be liable to a penalty not exceeding one hundred dollars.

(4) In this Section, the expression "emoluments" includes fees, percentages and other payments made or consideration given, directly or indirectly, to a director as such, and the money value of any allowance or perquisites belonging to his office. R.S., c. 81, s. 100; 1990, c. 15, s. 8.

CONTRACTS AND MORTGAGES

Mode of contracting

101 (1) Contracts on behalf of a company may be made as follows:

(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 of Canada, 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) Every contract 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. R.S., c. 81, s. 101.

OBTAINING SECURITY

Power to secure

102 (1) Every company shall have power, subject to the conditions of and in addition to all other powers conferred by this Act, to borrow money for the purpose of carrying out the objects of its incorporation and to execute mortgages of its real and personal property, to issue debentures secured by mortgage or otherwise, to sign bills, notes, contracts and other evidences of or securities for money borrowed or to be borrowed by it for the purpose aforesaid, and to pledge debentures as security for loans.

(2) *repealed 1998, c. 8, s. 20.*

R.S., c. 81, s. 102; 1998, c. 8, s. 20.

COMMON SEALS

Delegation of powers

103 A company may, as to all matters to which the corporate existence and capacity of the company extends, 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 situate within or without the Province, and

every deed signed by such attorney, on behalf of the company and under seal, shall bind the company and have the same effect as if it were under its common seal. R.S., c. 81, s. 103.

OFFICIAL SEAL

Official seal for extra-provincial use

104 (1) A company whose objects require or comprise the transaction of business outside of the Province may, if authorized by its articles, have for use, as to all matters to which the corporate existence and capacity of the company extends, in any territory, district or place not situate in the Province, 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 every territory, district or place 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 in any territory, district or place not situate in the Province, to affix the same to any deed or other document to which the company is party in that territory, district or place.

(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 any such 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 company, as to all matters to which the corporate existence and capacity of the company extends, in the same manner as if it had been sealed with the common seal of the company. R.S., c. 81, s. 104.

PROSPECTUS

105 to 108 *repealed 1990, c. 15, s. 9.*

PAYMENT FOR SHARES OTHERWISE THAN IN CASH

Deemed subject to payment

109 (1) Every share with nominal or par value in any company shall be deemed and taken to have been issued and to be held subject to the payment of the whole amount thereof in cash, unless the same has been otherwise determined by a contract, duly made in writing.

(2) Every share without nominal or par value in any company shall be deemed and taken to have been issued and to be held subject to the payment in cash of the whole amount for which same has been subscribed for and allotted unless otherwise determined by a contract duly made in writing.

(3) Whenever before, on or after the first day of August, 1935, any shares in the capital of any company, credited as fully or partly paid up, shall have been or may be issued for a consideration other than cash and at or before the issue of such shares no contract or no sufficient contract is filed with the Registrar in compliance with this Section, the company or any person interested in such shares, or any of them, may apply to the court for relief, and the court, if satisfied that the omission to file a contract or sufficient contract was accidental or due to inadvertence, or that for any reason it is just and equitable to grant relief, may make an order for the filing with the Registrar of a sufficient contract in writing, and directing that on such contract being filed within a specified period it shall in relation to such shares operate as if it had been duly filed with the Registrar aforesaid before the issue of such shares.

(4) The application may be made in the manner in which an application to rectify the register of members may be made under Section 44, and either before or after an order has been made or effective resolution has been passed for the winding up of such company, and either before or after the commencement of any proceedings for enforcing the liability on such shares consequent on the omission aforesaid, and any such application shall, if not made by the company, be served on the company.

(5) Any such order may be made on such terms and conditions as the court may think fit, and the court may make such order as to costs as it deems proper, and may direct that a certified copy of the order shall be filed with the Registrar, and the order shall in all respects have full effect.

(6) Where the court in any such case is satisfied that the filing of the requisite contract would cause delay or inconvenience, or is impracticable, it may in lieu thereof direct the filing of a memorandum in writing, in a form approved by the court, specifying the consideration for which the shares were issued, and may direct that on such memorandum being filed within a specified period it shall in relation to such shares operate as if it were duly made in writing within the meaning of this Section and had been duly filed with the Registrar before the issue of such shares.

(7) Subsections (3) to (6) do not apply to shares issued after the coming into force of this subsection. R.S., c. 81, s. 109; 1998, c. 8, s. 21; revision corrected.

COMMISSIONS AND DISCOUNTS

Commission for sale of shares

110 (1) It shall be lawful for a company to pay a reasonable 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 articles, and the commission paid or agreed to be paid does not exceed the amount or rate so authorized.

(2) Save as aforesaid, 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 any shares of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

(3) 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.

(4) *repealed 1990, c. 15, s. 10.*

(5) and (6) *repealed 2007, c. 34, s. 34.*

(7) This Section shall apply to every company incorporated before the first day of August, 1935, or that may be incorporated on or after that date, and all commissions paid before the first day of August, 1935, out of capital account or income for underwriting which would have been legal and valid under this Section if the same had then been in force are declared to be and to have been legal and valid. R.S., c. 81, s. 110; 1990, c. 15, s. 10; 2007, c. 34, s. 34.

FINANCIAL ASSISTANCE

Financial assistance by company

110A (1) In this Section, “financial assistance” means financial assistance by means of a loan, guarantee, the provision of security or otherwise.

(2) A company may give financial assistance to any person for any purpose. 2007, c. 34, s. 35.

REGISTER OF DEBENTURES

Register of debenture holders

111 (1) Every company shall keep or cause to be kept in one or more books at the registered office of the company a register of the holders of debentures which have been or may be on or after the first day of August, 1935, issued by the

company and which are not validly and completely transferable solely by the delivery thereof, and shall enter therein the following particulars:

- (a) the names and addresses and the occupations, if any, of the holders of debentures which have been or may be on or after the first day of August, 1935, issued by the company, and which are not validly and completely transferable solely by the delivery thereof;
- (b) the date at which the name of any person was entered in the register as such holder; and
- (c) the date at which any person ceases to be such holder.

(2) If a company fails to comply with this Section, it shall be liable to a penalty not exceeding twenty-five dollars for every day during which the default continues and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

(3) No transfer of any debentures which have been or may be on or after the first day of August, 1935, issued by a company, and which are not validly and completely transferable solely by the delivery thereof, shall be valid, complete or effectual unless and until the entries in respect thereof required by this Act have been made in the register.

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

(5) A company may, if so authorized by its articles, cause to be kept in any place outside of the Province a branch register of the holders of debentures which have been or may be on or after the first day of August, 1935, issued by the company, and which are not validly and completely transferable solely by the delivery thereof, hereinafter in this Section called a "branch register of debenture holders".

(6) A company shall give to the Registrar notice of the situation of the office where any branch register of debenture holders is kept, and of any change in situation and of the discontinuance of the office in the event of its being discontinued.

(7) A branch register of debenture holders shall be deemed to be part of the company's register of debenture holders, hereinafter in this Section called the "principal register of debenture holders".

(8) A branch register of debenture holders shall be kept in the same manner in which the principal register of debenture holders is by this Act required to be kept.

(9) The company shall transmit to its registered office a copy of every entry in its branch register of debenture holders as soon as may be after the entry is made, and shall cause to be kept at its registered office duly entered up from

time to time a duplicate of its branch register of debenture holders, and the duplicate shall for all the purposes of this Act be deemed to be part of the principal register.

(10) Subject to the provisions of this Section with respect to the duplicate of the branch register, the debentures registered in a branch register of debenture holders shall be distinguished from the debentures registered in the principal register of debenture holders, and no transaction with respect to any debenture registered in a branch register of debenture holders shall, during the continuance of that register, be registered in any other register.

(11) On the death of a person registered in a branch register of debenture holders the debentures of the deceased person shall be transferable on the duplicate of the branch register at the registered office of the company and not elsewhere.

(12) The company may discontinue to keep any branch register of debenture holders, and thereupon all entries in that register shall be transferred to some other branch register of debenture holders kept by the company in the same country or to the principal register of debenture holders.

(13) Subject to this Act, any company may by its articles make such provisions as it may think fit respecting the keeping of branch registers of debenture holders.

(14) Every register of holders of debentures of a company shall, except when duly closed, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that not less than two hours in each day shall be allowed for inspection.

(15) For the purpose of subsection (14), a register shall be deemed to be duly closed if closed in accordance with provisions contained in the articles of association, or in the debentures or, in the case of debenture stock, in the stock certificates, or in the trust deed or other document securing the debentures or debenture stock, during such period or periods, not exceeding in the whole thirty days in any year, as may be therein specified.

(16) Every registered holder of debentures and every holder of shares in a company may require a copy of the register of the holders of debentures of the company or any part thereof on payment of fifteen cents for every hundred words or fractional part thereof required to be copied.

(17) A copy of any trust deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment, in the case of a printed trust deed, of the sum of one dollar or such less sum as may be prescribed by the company, or where the trust deed has not been printed, on payment of fifteen cents for every hundred words or fractional part thereof required to be copied.

(18) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable for each refusal to a penalty not exceeding ten dollars, and to a further penalty not exceeding ten dollars for every day during which the refusal continues, and every director and manager of the company who knowingly authorizes or permits the refusal shall be liable to the like penalty.

(19) Where a company is in default as aforesaid, the court may by order compel an immediate inspection of the register or direct that the copies required shall be sent to the person requiring them. R.S., c. 81, s. 111.

DEBENTURES

Conditions precedent

112 A condition contained in any debenture or in any deed for securing any debentures, whether issued or executed before, on or after the first day of August, 1935, 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., c. 81, s. 112.

Reissuing debentures

113 (1) Where either before, on or after the first day of August, 1935, a company has redeemed any debentures previously issued, the company, unless the special Act incorporating the company or the articles of the company or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation of the company so to do, not being an obligation enforceable only by the person to whom the redeemed bonds or debentures were issued, or his assigns, shall have power and shall be deemed always to have had power to keep the debentures alive for the purposes of reissue, and where a company has purported to exercise such a power, the company shall have the power, 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 upon such a reissue the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued.

(2) Where, with the object of keeping debentures alive for the purpose of reissue they have either before, on or after the first day of August, 1935, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a reissue for the purposes of this Section.

(3) Where a company has, either before, on or after the first day of August, 1935, deposited any of its debentures to secure advances 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 remained so deposited nor by reason of the repayment of the advances.

(4) The re-issue of a debenture, or the issue of another debenture in its place, under this Section whether made before, on or after the first day of August, 1935, shall not be treated as the issue of a new debenture for any purpose.

(5) Nothing in this Section shall prejudice any power to issue debentures in the place of any debentures paid off, or otherwise satisfied or extinguished, reserved to a company by its debentures, or the securities for the same. R.S., c. 81, s. 113.

Order for specific performance

114 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., c. 81, s. 114; revision corrected 1999.

INSPECTION AND AUDIT

Inspectors appointed by Governor in Council

115 (1) The Governor in Council may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Governor in Council directs

(a) in the case of any company having a share capital, on the application of members holding not less than one tenth of the shares issued; or

(b) in the case of any company not having a share capital, on the application of not less than one fifth in number of the persons on the company's register of members.

(2) The application shall be supported by such evidence as the Governor in Council requires for the purpose of showing that the applicants have good reason for, and are not actuated by malicious motives in requiring the investigation, and the Governor in Council may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

(3) It shall be the duty of all officers and agents of the company to produce to the inspectors all books and documents in their custody or power.

(4) An inspector may examine on oath the officers and agents of the company in relation to its business, and may administer an oath accordingly.

(5) If any officer or agent refuses to produce any book or document which under this Section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a penalty not exceeding twenty-five dollars in respect of each offence.

(6) On the conclusion of the investigation the inspectors shall report their opinion to the Governor in Council, and a copy of the report shall be forwarded by the Governor in Council to the registered office of the company, and a

further copy shall, at the request of the applicants for the investigation, be delivered to them, and the report shall be written or printed, as the Governor in Council directs.

(7) A copy of the report of any inspectors appointed under this Act, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

(8) All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Governor in Council directs the same to be paid by the company, which the Governor in Council is hereby authorized to do. R.S., c. 81, s. 115.

Inspectors appointed by company

116 (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 Governor in Council, except that, instead of reporting to the Governor in Council, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) Officers and agents of the company shall incur the like penalties in case of refusal to produce any book or document 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 Governor in Council. R.S., c. 81, s. 116.

AUDITORS

Appointment, removal, remuneration and rights of auditor

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

(2) If an appointment of an auditor is not made at an annual meeting, the directors of the company shall appoint an auditor of the company to hold office until the next annual general meeting.

(3) The first auditor or auditors of the company may be appointed by the directors at any time before the first annual general meeting, and auditors so appointed shall hold office until that meeting.

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

(5) The remuneration of the auditor or auditors of a company shall be fixed by the company in general meeting, or by the directors pursuant to an

authorization given by the shareholders at the annual meeting, except that the remuneration of an auditor appointed before the first annual general meeting or of an auditor appointed to fill a casual vacancy may be fixed by the directors, and that the remuneration of an auditor appointed by the Governor in Council may be fixed by the Governor in Council.

(6) The members may, except where the auditor has been appointed by order of the court pursuant to subsection (9), by resolution passed by a majority of the votes cast at a special meeting duly called for the purpose, remove an auditor before the expiration of the auditor's term of office and shall, by a majority of the votes cast at that meeting, appoint another auditor in his stead for the remainder of the term.

(7) Before calling a special meeting for the purpose specified in subsection (6) or an annual general or special meeting where the directors are not recommending the re-appointment of the incumbent auditor, the company shall, fifteen days or more before the mailing of the notice of the meeting, give to the auditor

(a) written notice of the intention to call the meeting, specifying therein the date on which the notice of the meeting is proposed to be mailed; and

(b) a copy of all material proposed to be sent to members in connection with the meeting.

(8) An auditor has the right to make to the company, three days or more before the mailing of the notice of the meeting, representations in writing concerning

(a) the auditor's proposed removal as auditor;

(b) the appointment or election of another person to fill the office of auditor; or

(c) the auditor's resignation as auditor,

and the company, at its expense, shall forward with the notice of the meeting a copy of such representations to each member entitled to receive notice of the meeting.

(9) If a company does not have an auditor, the court may, upon the application of a member or the Registrar, appoint and fix the remuneration of an auditor to hold office until an auditor is appointed by the members.

(10) The company shall give notice in writing to an auditor of the auditor's appointment forthwith after the appointment is made.

(11) A resignation of an auditor becomes effective at the time the written resignation is sent to the company or at the time specified in the resignation, whichever is later. R.S., c. 81, s. 117; 1990, c. 15, s. 12.

Exemption from Sections 117 and 119 to 119B

118 In respect of a financial year of a company, the company is exempt from the requirements of Section 117 and Sections 119 to 119B regarding the appointment and duties of an auditor where

- (a) the company is not a reporting issuer or a reporting company;
 - and
 - (b) all of the members consent thereto in respect of that year.
- 1990, c. 15, s. 13.

Rights of auditor

119 (1) The auditor of a company is entitled to receive notice of every meeting of members and, at the expense of the company, to attend and be heard at the meeting on matters relating to the auditor's duties as an auditor.

(2) If any director or member of a company, whether or not the member is entitled to vote at the meeting, gives written notice not less than five days before a meeting of the company to the auditor or former auditor of the company, the auditor or former auditor shall attend the meeting at the expense of the company and answer questions relating to the auditor or former auditor's duties as auditor.

(3) A director or member who sends a notice referred to in subsection (2) shall send concurrently a copy of the notice to the company.

(4) No person shall accept appointment or consent to be auditor of a company if that person is replacing an auditor who has resigned, been removed or whose term of office has expired or is about to expire until that person has requested and received from that auditor a written set of circumstances and the reasons why, in that auditor's opinion, he is to be replaced.

(5) Notwithstanding subsection (4), a person otherwise qualified may accept appointment or consent to be appointed as auditor of a company if, within fifteen days after making the request referred to in that subsection, the person does not receive a reply.

(6) Any interested person may apply to the court for an order declaring an auditor to be disqualified and the office of auditor to be vacant if the auditor has not complied with subsection (4), unless subsection (5) applies with respect to the appointment of the auditor.

(7) Any oral or written statement or report made pursuant to this Act by the auditor or former auditor of a company has qualified privilege. 1990, c. 15, s. 13.

Disqualification of auditor

119A (1) Subject to subsection (5), a person is disqualified from being an auditor of a company if that person is not independent of the company, all of its affiliates, or of the directors or officers of the company and its affiliates.

(2) For the purpose of this Section,

(a) independence is a question of fact; and

(b) a person is deemed not to be independent if the person or the person's business partner

(i) is a business partner, director, officer or employee of the company or any of its affiliates, or a business partner of any director, officer or employee of the company or any of its affiliates,

(ii) beneficially owns, directly or indirectly, or exercises control or direction over a material interest in the shares of or debt owing by the company or any of its affiliates, or

(iii) has been a receiver, receiver and manager, liquidator or trustee in bankruptcy of the company or any of its affiliates within two years of the person's proposed appointment as auditor of the company.

(3) An auditor who becomes disqualified pursuant to this Section shall, subject to subsection (5), resign forthwith upon becoming aware of his disqualification.

(4) An interested person may apply to the court for an order declaring an auditor to be disqualified pursuant to this Section and the office of auditor to be vacant.

(5) An interested person may apply to the court for an order exempting an auditor from disqualification pursuant to this Section and the court may, if it is satisfied that an exemption would not unfairly prejudice the members, make an exemption order on such terms as it thinks fit, which order may have retrospective effect. 1990, c. 15, s. 13.

Examination of financial statements

119B (1) An auditor of a company shall make such examination of the financial statements required by this Act to be placed before members in a general meeting as is necessary for the auditor to report.

(2) The audit required by this Act and the report of the auditor referred to in this Act shall be conducted and prepared in accordance with the standards and report which are recommended from time to time in the CPA Canada Handbook.

(2A) Where a company has registered any of its securities under the United States Securities Act of 1933, the report of the auditor referred to in subsection (2) may be prepared in accordance with generally accepted auditing standards as established by the Public Company Accounting Oversight Board of the United States or its successor.

(3) A director or officer of a company shall forthwith notify all directors and the auditor or former auditor of any error or mis-statement of which the director or officer becomes aware in a financial statement that the auditor or former auditor has reported upon if the error or mis-statement in all circumstances appears to be significant.

(4) Where the auditor or former auditor of a company is notified or becomes aware of an error or mis-statement in a financial statement upon which the auditor or former auditor has reported, and if in the auditor or former auditor's opinion the error or mis-statement is material, he shall inform each director accordingly.

(5) Where, pursuant to subsection (4), the auditor or former auditor informs the directors of an error or mis-statement in a financial statement, the directors shall, within a reasonable time,

- (a) prepare and issue revised financial statements; or
- (b) otherwise inform the members and any debenture holder of the company who has demanded or been furnished with the financial statements which contain the error or mis-statement.

(6) Upon the demand of an auditor of a company, the present or former directors, officers, employees or agents of the company shall furnish such

- (a) information and explanations; and
- (b) access to records, documents, books, accounts and vouchers of the company or any of its subsidiaries,

as are, in the opinion of the auditor, necessary to enable the auditor to make the examination and report required pursuant to this Section and that the directors, officers, employees and agents are reasonably able to furnish.

(7) Upon the demand of the auditor of a company, the directors of a company shall

- (a) obtain from the present or former directors, officers, employees and agents of any subsidiary of the company the information and explanations that the present or former directors, officers, employees and agents are reasonably able to furnish and that are, in the opinion of the auditor, necessary to enable the auditor to make the examination and report required pursuant to this Section; and
- (b) furnish the information and explanations so obtained to the auditor.

(8) Any oral or written communication pursuant to this Section between the auditor or former auditor of a company and its present or former directors, officers, employees or agents or those of any subsidiary of the company has qualified privilege.

(9) The auditor of a company shall be entitled to attend, at the expense of the company, and be heard at meetings of the board of directors of the company on matters relating to the auditor's duties as auditor. 1990, c. 15, s. 13; 2007, c. 34, s. 36; 2015, c. 30, s. 144.

Books of account

120 Every company shall cause to be kept at its registered office or at such other place as the directors may direct, proper books of account with respect to

- (a) all 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. R.S., c. 81, s. 120.

FINANCIAL STATEMENTS

Information for annual general meeting

121 (1) The directors of every company shall place before the company at each annual general meeting

(a) in the case of a company that is not a reporting issuer, financial statements for the period that began on the date of incorporation of the company and ended not more than six months before the general meeting or, if the company has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the general meeting;

(b) in the case of a company that is a reporting issuer, the comparative financial statements required to be filed pursuant to the *Securities Act* and the regulations thereunder relating separately to

(i) the period that began on the date of incorporation of the company and ended not more than six months before the general meeting or, if the company has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the general meeting, and

(ii) the period covered by the financial year of a company next preceding the last financial year, if any;

(c) the report of the auditor, if any, to the members;

(d) in the case of a company that is a reporting issuer, the report of the directors; and

(e) any further information respecting the financial position of the company and the results of its operations required by the articles of the company.

(2) The financial statements and the report of the auditor, if any, thereon which are placed before a general meeting shall be open for inspection by the members entitled to be present.

(3) The directors of every company shall, not less than seven days, or such greater length of time provided for in the articles, before the date of a general meeting or before the signing of a resolution pursuant to Section 92 in lieu thereof, send to all members who hold voting securities of the company and all other members who are entitled to receive notice of a general meeting of the company, in the manner in which notices are required to be served by the articles of the company, the financial statements required to be placed before the general meeting and the report of the auditor, if any, thereon.

(4) The directors of every reporting issuer shall send to each member who holds voting securities of the reporting issuer every interim financial statement which the reporting issuer is required to file pursuant to Section 83 of the *Securities Act* concurrently with the filing thereof pursuant to that Section.

(5) Notwithstanding subsections (3) and (4), a company shall not be required to send financial statements to any person who has given notice to the company that that person does not wish to receive the financial statements and report of the auditor, if any, thereon to which that person would otherwise be entitled, provided that any such person may revoke such notice on seven days prior written notice given to the company.

(6) Any member of a company who does not hold voting securities and any holder of debentures of a company shall be entitled to be furnished, on demand and without charge, with the latest

(a) financial statements required to be sent to the holders of its voting securities pursuant to subsection (3), together with the report of the auditors, if any, thereon; and

(b) financial statements required to be sent to the holders of its voting securities pursuant to subsection (4). 1990, c. 15, s. 14.

Content and approval of financial statements

122 (1) The financial statements required to be placed before the annual meeting of the company shall include those prescribed by the regulations prepared for or as at the end of the applicable period and, where a recommendation has been made in the CPA Canada Handbook which is applicable in the circumstances, in accordance with the principles so recommended and the provisions of this Act and the regulations.

(1A) Where a company has registered any of its securities under the United States Securities Act of 1933, the financial statements referred to in subsection (1) may be prepared in accordance with generally accepted accounting practices as established by the Financial Accounting Standards Board of the United States or its successor.

(2) The financial statements of a company shall be approved by the directors and the approval shall be evidenced by the signature at the foot of the balance sheet by two of the directors duly authorized to sign or by the director where there is only one, and the report of the auditor thereon, unless the company is exempt pursuant to Section 118, shall be attached to or accompany the financial statements and, where so exempt, a statement to that effect shall be attached to or accompany the financial statements.

(3) A company shall not issue, publish or circulate copies of the financial statements referred to in Section 121 unless the financial statements are

(a) approved and signed in accordance with subsection (2); and

(b) accompanied by the report of the auditor thereon unless the company is exempt pursuant to Section 118, in which event a statement to that effect shall accompany the financial statements. 1990, c. 15, s. 14; 2007, c. 34, s. 37; 2015, c. 30, s. 145.

EXEMPTIONS

Order of Commission

123 The Commission may, upon its own motion or upon the application of a reporting issuer, where in its opinion to do so would not be prejudicial to the public interest, make an order on such terms and conditions as the Commission may impose

(a) permitting the omission from the financial statements required to be sent or furnished to members or holders of debentures of a reporting issuer or to be placed before a general meeting of a reporting issuer of

(i) comparative financial statements for particular periods of time,

(ii) sales or gross operating revenue where the Commission is satisfied that the disclosure of such information would be unduly detrimental to the interests of the company, or

(iii) basic earnings per share or fully diluted earnings per share; or

(b) exempting, in whole or in part, any reporting issuer or class of reporting issuers from a requirement of this Act contained in Sections 85A to 85F, 117 to 119B, 121 or 122 or contained in regulations referred to in those Sections if otherwise satisfied in the circumstances of the particular case that there is adequate justification for so doing. 1990, c. 15, s. 14.

Order of Registrar

124 The Registrar may, upon the Registrar's own motion or upon the application of a company that is not a reporting issuer, where in the Registrar's opinion to do so would not be prejudicial to the public interest, make an order on such terms and conditions as the Registrar may impose

(a) permitting the omission from the financial statements required to be sent or furnished to members or holders of debentures of the company or to be placed before a general meeting of a company of sales of gross operating revenue where the Registrar is satisfied that the disclosure of such information would be unduly detrimental to the interests of the company, or basic earnings per share or fully diluted earnings per share; or

(b) exempting, in whole or in part, any company which is not a reporting issuer or class of companies which are not reporting issuers from a requirement of this Act contained in Sections 85A to 85F, 117 to 119B, 121 or 122 or contained in regulations referred to in those Sections. 1990, c. 15, s. 14.

125 *repealed 1990, c. 15, s. 14.*

126 *repealed 1990, c. 15, s. 15.*

127 and 128 *repealed 1990, c. 15, s. 16.*

ARBITRATIONS

Arbitration Act

129 (1) Any company under this Act may, from time to time, 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 whatsoever in dispute between itself and any other company or person, and any company party to the arbitration may delegate to the person or persons to whom the reference is made power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by the directors or other managing body of such companies.

(2) All the provisions of the *Arbitration Act* shall be deemed to apply to arbitrations between any company and any person or between one company and another. R.S., c. 81, s. 129.

COMPROMISES AND ARRANGEMENTS

Meeting of creditors or members

130 (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or 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, or, in the case of a company being wound up under the *Companies Winding Up Act*, of the liquidator, 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 in number representing 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 compromise or arrangement, the compromise or arrangement shall, if sanctioned by the court, be binding on all the creditors or class of creditors, or on the members or class of members, as the case may be, and also on the company, or in the case of a company in the course of being wound up under the *Companies Winding Up Act*, on the liquidator, members and contributories of the company.

(3) An order made under subsection (2) shall have no effect until a certified copy of the order has been delivered to the Registrar for registration, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or, in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company. R.S., c. 81, s. 130.

Reconstruction or amalgamation

131 (1) Where an application is made to the court under Section 130 for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that Section, and it is shown to the court that the compromise or arrangement has been proposed 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, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the 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 compromise or arrangement 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, policies or other like interests in that company which under the compromise or arrangement 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 direct, dissent from the compromise or arrangement;

(f) such incidental, consequential and supplemental matters as are necessary to ensure 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, and those liabilities shall, by virtue of the order, be transferred to and become the 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 compromise or arrangement 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 a certified copy thereof to be delivered to the Registrar for registration within seven days after the making of the order, and if default is made in complying with this subsection, the company and every officer of the company who is in default shall be liable to a penalty of ten dollars for every day during which such default continues. R.S., c. 81, s. 131.

Share transfers to other companies

132 (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company, in this Section referred to as “the transferor company”, to another company, whether a company within the meaning of this Act or not, 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 four months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire the shares of such dissenting shareholder, and where such a notice is given the transferee company shall, unless on an application made by the dissenting shareholder 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 shareholders 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 shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, where an application to the court by the dissenting shareholder is then pending, after that application has been disposed of, pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares 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) Any sums received by the transferor company under this Section must be paid into a separate bank account, and any such sums and any other consideration so received must be held by that company on trust for the several persons entitled to the shares in respect of which the sums or other consideration were respectively received.

(4) Concurrently with sending the notice referred to in subsection (1) to any dissenting shareholder, the transferee company shall send or deliver to the transferor company a copy of the transferee company's notice, which constitutes a demand under subsection 88(1) of the *Securities Transfer Act* that the transferee company not register a transfer with respect to each share held by a dissenting shareholder. 2010, c. 8, s. 113.

Certificate of continuance

133 (1) Any body corporate, incorporated under the laws of any jurisdiction other than the Province for any of the purposes or objects for which a certificate of incorporation may be issued under this Act and being at the time of the application a subsisting and valid body corporate, may apply for a certificate of continuance under this Act as a company limited by shares or, where approved by all of the members of the body corporate, whether or not the shares held by them otherwise carry the right to vote, as an unlimited company, and the Registrar, upon receiving satisfactory evidence that the body corporate applying is a subsisting and valid body corporate and that no public interest in the Province will be prejudiced, may issue a certificate of continuance continuing the body corporate as a company limited by shares or an unlimited company under this Act and thereupon the body corporate is continued and is a body corporate and politic organized under the laws of the Province.

(1A) Before issuing a certificate of continuance in accordance with subsection (1) to a body corporate applying to be continued under this Act as an unlimited company, the Registrar must be satisfied that all persons who will be members of the company at the time of or immediately after continuance have consented to the continuance of the body corporate as an unlimited company and, for that purpose, the Registrar may rely on a certificate of an officer of the company attesting to the approval.

(2) It is not necessary in any application or in any such certificate of continuance to set out the names of the shareholders.

(3) After the issue of such certificate of continuance the company shall be governed in all respects by the provisions of this Act and has all the ancillary and other powers given to a company incorporated under this Act and any provision of this Act that applies only to companies incorporated or registered after a certain date applies to the company as if the company had been incorporated or registered on the date of continuance.

(4) From and after the continuance,

(a) without prejudice to the power of the company to vary or amend the same, the constating documents and the by-laws of the body corporate shall, respectively, constitute the memorandum and articles of association of the company;

(b) without prejudice to the power of the company to vary or amend the same and subject to Section 26, the share capital of the company shall be the existing share capital and, unless the company is continued as an unlimited company, the liability of the shareholders continues to be limited;

(c) the property of the body corporate shall continue to be the property of the company subject to the power of the company thereafter to dispose of the same;

(d) the company shall continue to be liable for its obligations;

(e) all rights of creditors and others against the property, rights and assets of the company and all liens upon its property, rights and assets shall be unimpaired;

(f) none of the company's rights or properties, and none of the company's contracts or obligations shall be prejudicially affected nor shall the company be deemed to have been liquidated or dissolved;

(g) any existing cause of action, claim or liability to prosecution in any jurisdiction shall be unaffected;

(h) a civil, criminal or administrative action or proceeding pending by or against the company or its directors or officers in any jurisdiction may be continued to be prosecuted by or against the company or its directors or officers;

(i) a conviction against, or ruling, or order or judgment in favour of or against, the company or its directors or officers shall continue to be enforceable by or against the company or its directors or officers;

(j) the directors and officers of the company shall continue to be the directors and officers of the company until they or their successors are duly chosen, elected or appointed, as the case may be;

(k) the rights of creditors and members of the company shall not be adversely affected;

(l) all rights of the shareholders or members acquired, accrued, accruing or incurred on or before the continuance shall continue in full force and effect without any change; and

(m) notwithstanding any other provision of this Act, in the case of a body corporate incorporated or continued under the *Canada Business Corporations Act*, the provisions in the Third Schedule to

this Act shall be applicable to such body corporate and any continuation thereof by amalgamation with respect to any matter arising either before or after the continuance.

(5) A company may, if it is authorized by special resolution, and if it establishes to the satisfaction of the Registrar that its proposed continuance in another jurisdiction will not adversely affect creditors or members of the company, apply to the appropriate official or public body of another jurisdiction requesting that the company be continued as if it had been incorporated under the laws of that other jurisdiction.

(6) A company shall not be continued as a body corporate under the laws of another jurisdiction unless those laws provide, in effect, that

(a) the property of the company continues to be the property of the continued body corporate;

(b) the continued body corporate continues to be liable for the obligations of the company;

(c) an existing cause of action, claim or liability to prosecution is unaffected;

(d) a civil, criminal or administrative action or proceeding pending by or against the company may be continued to be prosecuted by or against the continued body corporate;

(e) a conviction against or ruling, order or judgment in favour of or against the company may be enforced by or against the continued body corporate;

(f) the rights of the creditors shall not be adversely affected; and

(g) all rights of the shareholders shall continue in full effect without any adverse change.

(7) Upon receipt of notice satisfactory to him that a company has been continued under the laws of another jurisdiction, the Registrar shall file the notice and issue a certificate of discontinuance.

(8) This Act ceases to apply to a company on the date shown on the certificate of discontinuance. R.S., c. 81, s. 133; 2007, c. 34, s. 38; revision corrected.

Amalgamation

134 (1) Any two or more companies, including holding and subsidiary companies, may amalgamate and continue as one company.

(2) The companies proposing to amalgamate may enter into an amalgamation agreement, which shall prescribe the terms and conditions of the amalgamation and the mode of carrying the amalgamation into effect.

- (3) The amalgamation agreement shall further set out
- (a) the name of the amalgamated company;
 - (b) the maximum number, if any limit is to be provided, of shares of each class without nominal or par value, and the amount of shares of each class of shares having a nominal or par value, that the amalgamated company is authorized to issue;
 - (c) *repealed 2007, c. 34, s. 39.*
 - (d) the restrictions, if any, on the objects and powers of the amalgamated company;
 - (e) the names and addresses of the first directors of the amalgamated company;
 - (f) the manner by which subsequent directors are to be elected;
 - (g) subject to subsections (23) and (24), the manner of converting shares of each class and series of shares of the amalgamating companies into shares of each class and series or into other securities of the amalgamated company and the manner of allocating the paid-up capital of each class or series of shares of each amalgamating company to the classes and series of shares of the amalgamated company;
 - (h) where any shares of the amalgamating companies will not be converted into securities of the amalgamated company and will not be cancelled, the amount of money or securities of another body corporate or other property that the holders of the shares are to receive in addition to or instead of securities of the amalgamating companies;
 - (i) such other details as may be desirable to perfect the amalgamation and to provide for the subsequent management and working of the amalgamated company including, if the amalgamating companies consider such necessary, a statement of the time or date on which the amalgamating companies desire the amalgamation to be effective.

(4) Except in the case of amalgamations referred to in subsections (23) and (24), the amalgamation agreement shall be submitted to the shareholders of each of the amalgamating companies at general meetings called for the purpose of considering the agreement and, where approved by special resolution of each of the amalgamating companies, the amalgamation agreement is deemed to have been adopted by each of the amalgamating companies.

(5) Where the amalgamation agreement is deemed to have been adopted, the amalgamating companies may apply to the court for an order approving the amalgamation.

(6) Unless the court otherwise directs, each amalgamating company shall notify each of its dissentient shareholders, in such manner as the court may direct, of the time and place when the application for the approving order will be made.

(7) Unless the court otherwise directs, notice of the time and place of the application for the approving order shall be given to the creditors of an amalgamating company in such manner as the court may direct.

(8) Upon the application, the court shall hear and determine the matter and may approve the amalgamation agreement as presented or may approve it subject to compliance with such terms and conditions as it thinks fit, having regard to the rights and interests of all parties including the dissentient shareholders and creditors.

(9) The amalgamation agreement, the special resolution or directors' resolution of each of the amalgamating companies approving the amalgamation agreement and the approving order may be filed with the Registrar, together with proof of compliance with any terms and conditions that may have been imposed by the court in the approving order.

(10) On receipt of the amalgamation agreement, the approving order, the special resolutions or the directors' resolutions and such other documents as may be required pursuant to subsection (9), the Registrar shall issue a certificate of amalgamation under his seal of office and certifying that the amalgamating companies have amalgamated.

(10A) An amalgamation may be effected under this Section without court approval, in which case

(a) subsections (6), (7) and (8) do not apply; and

(b) subsections (9) and (10) apply, but in lieu of filing an approving order, the amalgamating companies shall each file with the Registrar a statutory declaration of a director or officer of that company that complies with subsection (10B) and, where the amalgamated company will be an unlimited company, a further statutory declaration of an officer or director of each of the amalgamating companies stating that all members of each of the amalgamating companies have approved the amalgamation agreement.

(10B) The statutory declaration referred to in subsection (10A) must establish to the satisfaction of the Registrar that

(a) there are reasonable grounds for believing that

(i) each amalgamating company is and the amalgamated company will be able to pay its liabilities as they become due, and

(ii) the realizable value of the amalgamated company's assets will not be less than the aggregate of its liabilities and paid-up capital of all classes; and

(b) there are reasonable grounds for believing that

(i) no creditor will be prejudiced by amalgamation, or

(ii) adequate notice has been given to all known creditors of the amalgamating companies and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious.

(11) On and from the date of the certificate of amalgamation and, if the amalgamation agreement specifies a time, the time so specified, the amalgamating companies are amalgamated and are continued as one company, hereinafter called the "amalgamated company", under the name and having the authorized capital and restrictions, if any, on its objects and powers specified in the amalgamation agreement.

(12) The amalgamated company thereafter possesses all the property, rights, privileges and franchises, and is subject to all the liabilities, contracts and debts of each of the amalgamating companies, and all the provisions of the amalgamation agreement respecting the name of the amalgamated company, the authorized capital, limitations on liability of its members and restrictions, if any, on its objects and powers and other provisions stated therein to become part of the memorandum, shall be deemed to constitute the memorandum of the amalgamated company.

(13) A company amalgamated on a particular date is, for the purpose of applying the other provisions of this Act, deemed to be a company incorporated on that date.

(14) Where the amalgamation agreement does not provide for the adoption of the articles of one of the amalgamating companies or for the adoption of new articles as articles of association for the amalgamated company, the shareholders of the amalgamated company may, by special resolution, adopt and agree upon articles of association for the amalgamated company.

(15) Where new articles of association are adopted for the amalgamated company, the articles may be filed with the Registrar at the same time as the amalgamation agreement or subsequently if the articles are certified

(a) by an officer or director of each amalgamating company, where the articles were adopted and agreed upon as a provision of the amalgamation agreement; or

(b) by an officer or director of the amalgamated company, where the articles were adopted and agreed upon by the shareholders of the amalgamated company.

(16) In the case of an amalgamated company limited by shares, where articles of an amalgamated company are not adopted by the amalgamation agreement as the articles of the amalgamated company, and new articles are not filed with the Registrar pursuant to subsection (15), the articles contained in Table A in the First Schedule to this Act apply as the articles of the amalgamated company.

(17) Notwithstanding that articles have been adopted by the amalgamation agreement or filed as articles of the amalgamated company, the articles contained in Table A in the First Schedule to this Act, in so far as the articles of the amalgamated company do not exclude or modify, apply to a company limited by shares in the same manner and to the same extent as if these articles were contained in the articles adopted and agreed upon for the amalgamated company.

(18) For the purpose of this Section, a company shall be deemed to be another's holding company if, but only if, that other is its subsidiary.

(19) *repealed 2007, c. 34, s. 39.*

(20) This Section shall apply to any company that is incorporated by or under the authority of an Act of the Legislature.

(21) An amalgamated company shall, for the purposes of the other provisions of this Act, be deemed to be a company incorporated under this Act within the meaning of clause (c) of Section 2 so far as the nature of an amalgamated company will permit.

(22) The provisions of Section 16 shall apply to all companies proposing to amalgamate.

(23) A holding company and one or more of its subsidiary companies may amalgamate without complying with the requirements of this Section in respect of shareholder approval if

(a) the amalgamation agreement is approved by a resolution of the directors of each amalgamating company;

(b) all of the issued shares of each amalgamating subsidiary company are held by one or more of the other amalgamating companies;

(c) the amalgamation agreement provides that

(i) the shares of each amalgamating subsidiary company shall be cancelled without any repayment of capital,

(ii) the memorandum and articles of the amalgamated company shall be the same as the memorandum and articles of the amalgamating holding company, unless the agreement identifies the memorandum and articles of a particular amalgamating subsidiary company as the memorandum and articles of the amalgamated company, and

(iii) no securities shall be issued by the amalgamated company in connection with the amalgamation and the paid-up capital of the shares of each class and series of shares of the amalgamated company shall be the same as the paid-up capital of each class and series of shares of the amalgamating holding company; and

(d) the liability of the members of the amalgamated company is limited.

(24) Two or more wholly-owned subsidiary companies of the same holding company may amalgamate and continue as one company without complying with the requirements of this Section in respect of shareholder approval if

(a) the amalgamation agreement is approved by a resolution of the directors of each amalgamating company;

(b) the amalgamation agreement provides that

(i) the shares of all but one of the amalgamating subsidiary companies shall be cancelled without repayment of capital, and the amalgamating subsidiary company whose shares are not cancelled shall be identified in the agreement,

(ii) the memorandum and articles of the amalgamated company shall be the same as the memorandum and articles of the amalgamating subsidiary company whose shares are not cancelled, unless the agreement identifies the memorandum and articles of a particular amalgamating subsidiary company as the memorandum and articles of the amalgamated company, and

(iii) the capital of the amalgamating subsidiary companies whose shares are cancelled shall be added to the capital of the amalgamating subsidiary company whose shares are not cancelled; and

(c) the liability of the members of the amalgamated company is limited. R.S., c. 81, s. 134; 2007, c. 34, s. 39; 2008, c. 4, s. 5.

LIABILITY OF MEMBERS

Limits of liability

135 In the event of a company being wound up, every present and past member shall, subject to this Section, 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 winding up and for the adjustments of the rights of the contributories among themselves, with the qualifications following:

(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 winding up;

(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 this Act;

(d) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount, if any, unpaid on the shares in respect of which he is liable as a present or past member;

(e) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up;

(ea) in the case of an unlimited company, no contribution exceeding the amount, if any, unpaid on the shares in respect of which the member is liable as a past member, shall be required from a past member who was not a member of the company at any time on or after the time the company became unlimited;

(f) nothing in this Act shall invalidate any provision contained in any contract whereby the liability of the individual members of the contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract;

(g) a sum due to any member of a company, 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 contributories among themselves. R.S., c. 81, s. 135; 2007, c. 34, s. 40.

SHAREHOLDER RIGHTS

Application of Schedule

135A The Third Schedule to this Act, except Sections 1, 11 and 13, applies to a company incorporated pursuant to this Act, whether incorporated before or after the coming into force of this Section. 1990, c. 15, s. 17.

PART V

REMOVAL OF DEFUNCT COMPANIES FROM REGISTER

Removal by Registrar from register

136 (1) Where the Registrar believes that a company is not carrying on business or in operation, he may send to the company a letter inquiring whether the company is carrying on business or in operation, and stating that if an answer to

the letter is not received within one month from the date thereof, a notice will be published in the Royal Gazette with a view of striking the name of the company off the register.

(2) If the Registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the letter receive an answer thereto, the Registrar may within four weeks after the expiration of the month publish in the Royal Gazette and send to the company by post, a notice referring to the letter, and stating either that an answer thereto has been received from the company to the effect that it is not carrying on business or in operation, or that no answer thereto has been received by the Registrar, as the case may be, and that at the expiration of one month from the date of that notice the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(3) At the expiration of the time mentioned in the notice the Registrar may, unless cause to the contrary is previously shown to his satisfaction by such company, strike the name of such company off the register, and shall publish notice thereof in the Royal Gazette and on the publication in the Royal Gazette of such last mentioned notice the company whose name is so struck off shall be dissolved, provided that the liability, if any, of every director, managing officer and member of the company shall continue and may be enforced as if the company had not been dissolved.

(4) Any person aggrieved by the name of a company being struck off the register pursuant to this Section or dissolved pursuant to Section 137 may apply to the Registrar for restoration of the name of the company to the register, and the Registrar, where satisfied that the company was, at the time of the striking off, carrying on business or in operation, and that it is reasonable to do so, shall restore the name of the company on the register, and the company is deemed to have continued in existence as if the name of the company had never been struck off or dissolved.

(4A) Before submitting an application under subsection (4), the applicant shall provide notice of the application to the company and to the Attorney General.

(4B) Where a restoration is made under subsection (4), the restoration does not affect the title of a person who, before the restoration is made, acquires from Her Majesty in right of the Province property formerly of that company which vested in Her Majesty pursuant to the *Corporations Miscellaneous Provisions Act*.

(4C) Any person aggrieved by a decision of the Registrar pursuant to subsection (4) may apply to the court for a review of the Registrar's decision within thirty days of the date of the decision.

(5) A letter or notice authorized or required for the purposes of this Section 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 company

to the care of some director or officer of the company, or if there is no director or officer of the company whose name and address are known to the Registrar, a letter or notice in identical form may be addressed to the company, to the care of each of the persons who subscribed the memorandum of association, addressed to him at the address mentioned in the memorandum.

(6) The Registrar may strike off the register of companies the name of any company

(a) deemed to be dissolved under subsection (1) of Section 67 of the *Companies Winding Up Act*;

(b) against whom a final order winding up the company has been made either under the *Winding-up Act* (Canada) or the *Companies Winding Up Act*; or

(c) that pursuant to Section 134 was an amalgamating company and was amalgamated with one or more other companies.
R.S., c. 81, s. 136; 1990, c. 15, s. 18; 1999, c. 4, s. 2; 2007, c. 34, s. 41.

Surrender of certificate of incorporation

137 (1) The certificate of incorporation of a company and certificate of change of name, when applicable, may be surrendered and the name of the company struck off the companies register if the company proves to the satisfaction of the Registrar that

(a) it has no assets and that any assets owned by it immediately prior to the application for leave to surrender its certificate of incorporation have been divided rateably amongst its shareholders or members;

(b) either

(i) it has no debts, liabilities or other obligations,
or

(ii) the debts, liabilities or other obligations of the company have been duly provided for or protected, or that the creditors of the company or other persons having interests in such debts, liabilities or other obligations consent; and

(c) the company has given notice of the application for leave to surrender by publishing the same once in the Royal Gazette and once in a newspaper published at or as near as may be to the place where the company has its registered office not earlier than two months and not later than two weeks before the date of the application.

(2) Where the certificate of incorporation or the certificate of change of name, or both, cannot be found an affidavit shall be filed with the Registrar stating that a diligent search has been made and that the certificate or certificates cannot be found.

(3) The Registrar, upon due compliance with the provisions of this Section, may accept a surrender of the certificate of incorporation of the company and direct its cancellation and fix a date upon and from which the company shall be dissolved and the company shall thereby and thereupon become dissolved accordingly and its name struck from the register.

(4) Notwithstanding the dissolution of a company under this Section, the shareholders of the company among whom its assets have been divided shall, to the amount received by them respectively upon such division, remain jointly and severally liable to the creditors of the company and an action may be brought in any court of competent jurisdiction to enforce such liability, but such action shall be commenced within and not after one year from the date of such dissolution of the company. R.S., c. 81, s. 137.

PART VI

APPLICATION OF ACT TO EXISTING COMPANIES

Incorporation under different Acts

138 (1) In the application of this Act to existing companies, it shall apply to every existing company registered under Chapter 128 of the Revised Statutes, 1900, Chapter 19 of the Acts of 1921, or Chapter 174 of the Revised Statutes, 1923, in the same manner as if such company had been formed and registered under this Act.

(2) Reference in this Act, expressed or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under said Chapter 128, 19 or 174. R.S., c. 81, s. 138.

PART VII

COMPANIES AUTHORIZED TO REGISTER UNDER THIS ACT

Registration through petition

139 Any company at any time incorporated by a special Act of the Legislature, or by letters patent issued under Chapter 79 of the Revised Statutes, Fifth Series, may apply by petition to the Governor in Council for a certificate of registration as a company limited by shares under this Act. R.S., c. 81, s. 139.

Resolution authorizing petition

140 Before such petition is presented a resolution authorizing the same must be passed at a meeting regularly called for such purpose by a majority of members present or represented by proxy, in cases where proxies are allowed by the regulations or by-laws of the company, at a meeting at which not less than three fourths of the members of the company are present in person or by proxy, in cases where proxies are allowed by the regulations or by-laws of the company. R.S., c. 81, s. 140.

Additional requests by petition

141 Such resolution may also authorize the embodying in the petition of a prayer that the Governor in Council will by such certificate

- (a) extend the powers of the company and the purposes for which the same was incorporated;
- (b) increase the amount of the share capital of the company; or
- (c) modify the constitution of the company in respect of any other matter or thing in respect of which provision might be made on an original application for incorporation under this Act. R.S., c. 81, s. 141.

Documents to accompany petition

142 The petition shall be accompanied by the following documents, verified by a statutory declaration by the president, secretary or other officer of the company:

- (a) a copy of the statute, or letters patent, or other instrument under which the company was incorporated, or a reference thereto if the Registrar deems the same sufficient;
- (b) a statement showing the nominal capital of the company, the number of shares into which it is divided, the number of shares taken and the amount paid on each share;
- (c) a list showing the names, addresses and occupations of all persons who on a day named in such list, and not being more than six clear days before the date of application, were members of the company, with the addition of the shares held by such persons respectively, distinguishing in cases in which shares are numbered each share by its number;
- (d) the amount of any bonds or debentures issued by the company, the number of such bonds or debentures and the amount of each one of the same;
- (e) the name of the company with the addition of the word "Incorporated", "Incorporée", "Limited" or "Limitée" as the last word thereof. R.S., c. 81, s. 142; revision corrected 1999.

Directions to register

143 Upon receipt of the petition and other documents and payments of the prescribed fees, the Governor in Council may direct the Registrar to issue to the company a certificate of registration stating that the company is registered under this Part, and setting forth any extension of powers or increase of capital or other provision which the Governor in Council may allow or authorize in pursuance of Section 141. R.S., c. 81, s. 143.

Certificate as evidence

144 A certificate of registration given at any time to any company registered in pursuance of this Part shall be conclusive evidence that all the requirements

herein contained in respect of registration under this Act have been complied with and the company is registered under this Act as a limited company, with such extension of powers, increase of capital or other modification of its constitution as therein stated, and the date of registration mentioned in the certificate shall be deemed to be the date at which the company is registered under this Act. R.S., c. 81, s. 144.

Property vesting in company

145 All such property, real and personal, including all interests and rights in, to and out of property, real and personal, and including obligations and things in action, as belong to or are vested in the company at the date of its registration under this Act, shall on registration vest in the company as registered under this Act for all the estate and interest of the company therein. R.S., c. 81, s. 145.

Effect on company liabilities

146 The registration in pursuance of this Part of any company shall not affect or prejudice the liability of such company to have enforced against it, or its right to enforce, any debt or obligation incurred or any contract entered into by, to, with or on behalf of such company previously to such registration. R.S., c. 81, s. 146.

Effect on actions

147 All such actions, suits and other legal proceedings as at the time of the registration of any company registered in pursuance of this Part have been commenced by or against such company or any member thereof, may be continued in the same manner as if such registration had not taken place, nevertheless, execution shall not issue against the effects of an individual member of such company upon any judgment, decree or order obtained in any action, suit or proceedings so commenced as aforesaid. R.S., c. 81, s. 147.

Provisions which apply

148 When a company is registered in pursuance of this Part,

(a) all provisions contained in any statute, letters patent or other instrument constituting or regulating the company, shall, subject to any provision contained in the certificate of registration issued by the Registrar, be deemed to be conditions and regulations of the company in the same manner and with the same incidents as if so much as would, if the company has been formed under this Act have been required to be inserted in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles;

(b) all the provisions of this Act shall apply to such company and the members, contributories and creditors thereof, in the same manner and in all respects as if it had been formed under this Act, subject to the provisions following:

(i) the regulations in Table A in the First Schedule to this Act shall not apply unless adopted by special resolution,

(ii) the company shall not have power, without the sanction of the Governor in Council, to alter any provision contained in any statute relating to the company,

(iii) the company shall not have power, without the sanction of the Governor in Council, to alter any provision contained in any letters patent relating to the company,

(iv) in the event of the company being wound up every person shall be liable to contribute in respect of the debts and liabilities of the company contracted prior to registration, who is liable to pay or contribute to the payment of any debt or liability of the company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members amongst themselves in respect of any such debt or liability, or to pay or contribute to the payment of the costs, charges and expenses of winding up the company, so far as relates to such debts or liabilities, and every such contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability, and in the event of the death or insolvency of any contributory, or marriage of any female contributory, the provisions of this Act with respect to the representatives, heirs and devisees of deceased contributories, and with respect to the assignees of insolvent contributories and to the husbands of married contributories, shall apply. R.S., c. 81, s. 148.

Alterations not authorized

149 Nothing in Section 148 shall authorize any company to alter any such provisions contained in any letters patent or other instrument constituting or regulating the company as would, if the company had originally been formed under this Act, have been required to be contained in the memorandum of association and are not authorized to be altered by this Act. R.S., c. 81, s. 149.

PART VIII

PENALTIES AND LEGAL PROCEEDINGS

Summary proceedings

150 All offences under this Act made punishable by any penalty may be prosecuted under the *Summary Proceedings Act*. R.S., c. 81, s. 150.

Penalties applied to costs

151 The court imposing any penalty under this Act may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding the person on whose information or at whose suit the penalty is recovered, and subject to any such direction, all penalties under this Act shall be paid into the Consolidated Fund of the Province. R.S., c. 81, s. 151.

Security for costs

152 Where a limited company is a plaintiff in any action or other legal proceeding, any judge having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs and may stay all proceedings until the security is given. R.S., c. 81, s. 152.

Court discretion

153 If in any proceeding against a director, or person occupying the position of director, of a company for negligence or breach of trust it appears to the court hearing the case that the director or person is or may be liable in respect of the negligence or breach of trust, but has acted honestly and reasonably and ought fairly to be excused for the negligence or breach of trust, that court may relieve him, either wholly or partly, from his liability on such terms as the court may think proper. R.S., c. 81, s. 153.

Service of documents

154 A document may be served on a company by leaving it at or sending it by post to the registered office of the company. R.S., c. 81, s. 154.

Authentication of documents

155 A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorized officer of the company, and need not be under its common seal. R.S., c. 81, s. 155.

Membership sufficient for action

156 In any action or suit brought by a company under this Act against any member to recover any call or other moneys due from the 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 and is indebted to the company in respect of a call made or other moneys due whereby an action or suit has accrued to the company. R.S., c. 81, s. 156.

SCHEDULES

FIRST SCHEDULE

TABLE A

REGULATIONS FOR MANAGEMENT
OF A COMPANY LIMITED BY SHARES

1 (1) In these regulations, unless the context otherwise requires, expressions defined by the *Companies Act*, or any statutory modification thereof in force at the date which these regulations become binding on the company, shall have the meanings so defined.

(2) In these regulations,

- (a) "Act" means the *Companies Act* as amended;
 - (b) "Article" means "regulation";
 - (c) "Directors" or "Board" means the Directors for the time being of the Company;
 - (d) "dividend" includes bonus;
 - (e) "member" means shareholder and vice versa;
 - (f) "month" means calendar month;
 - (g) "Office" means the registered office for the time being of the Company;
 - (h) "proxyholder" includes an alternate proxyholder;
 - (i) "Register" means the register of members to be kept pursuant to Section 42 of the Act;
 - (j) "Registrar" means the Registrar of Joint Stock Companies;
 - (k) "reporting company" and "reporting issuer" shall have the meanings as set out in Section 2 of the Act;
 - (l) "Secretary" includes any person appointed to perform the duties of Secretary temporarily;
 - (m) "special resolution" has the meaning assigned by Section 87 of the Act;
 - (n) "this Table" includes any amendments made thereto;
 - (o) "written" and "in writing" mean and include words printed, lithographed, represented or reproduced in any mode in a visible form.
- (3) In these Articles, words importing
- (a) the singular number only, include the plural number and vice versa;
 - (b) the masculine gender only, include the feminine gender; and
 - (c) persons include bodies corporate.

2 The Directors may enter into and carry into effect or adopt and carry into effect any agreement or agreements from time to time made by or with the promoters of the Company by or on behalf of the Company with full power nevertheless from time to time to agree to any modification of the terms of such agreement or agreements either before or after execution thereof.

3 The Directors may, out of any moneys of the Company for the time being in their hands, pay all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

4 The business of the Company may be commenced as soon after incorporation as the Directors may think fit, and notwithstanding that part only of the shares may have been allotted.

SHARES

5 The Directors shall control the shares and, subject to the provisions hereinafter set out, may allot or otherwise dispose of them to such persons at such times, on such terms and conditions and either at a premium or at par as they think fit.

6 (1) The Directors may pay on behalf of the Company a reasonable commission to any person in consideration of the person subscribing or agreeing to subscribe,

whether absolutely or conditionally, for any shares in the Company, or the person procuring or agreeing to procure subscriptions for any shares in the Company.

(2) The Commission [commission] may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

7 The Company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

8 If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof is payable by instalments, every such instalment shall when due, be paid to the Company by the person who, for the time being, and from time to time shall be the registered holder of the share, or the legal personal representative of the registered holder.

9 Shares may be registered in the names of joint holders not exceeding three in number.

10 (1) The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

(2) On the death of one or more joint holders of shares the survivor or survivors of them shall alone be recognized by the Company as having title to the shares.

11 Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

CERTIFICATES

12 (1) Certificates of title to shares shall be in the following form or as near thereto as circumstances will permit, or in such other form as the Directors may from time to time approve:

This is to certify that is the registered owner of fully paid and non-assessable common shares of transferable only on the books of the Company (subject to the restrictions imposed by the articles of association of the Company) by the holder thereof in person or by duly authorized attorney upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF the Company has caused this Certificate to be signed by its duly authorized officers and to be sealed with the seal of the Company this day of, 19.

- (2) Certificates of title to shares shall be signed by (a) the President, a vice-president or a director, (b) the Secretary, an assistant secretary or such other persons as the Directors may authorize; and (c) if the Directors have appointed a transfer agent for the company, an authorized officer of such transfer agent.

(3) The signature of the President or Vice-President and, if a transfer agent has been appointed, of the Secretary or assistant secretary may be engraved, lithographed or printed upon the certificates or any one or more of them and all such certificates, when signed by the Secretary, an assistant secretary, such other person as the Directors

authorize, or, if a transfer agent has been appointed, an authorized officer of such transfer agent, shall be valid and binding upon the Company.

(4) If the Company has appointed only one Director and officer, share certificates shall be signed by that Director alone as sole Director.

13 Subject to any Articles made at any time by the Directors, each shareholder may have title to the shares registered in the name of the shareholder evidenced by any number of certificates so long as the aggregate of the shares stipulated in such certificates equals the aggregate registered in the name of the shareholder.

14 Where shares are registered in the names of two or more persons, the Company shall not be bound to issue more than one certificate or one set of certificates, and such certificate or set of certificates shall be delivered to the person first named on the Register.

15 If any certificate is worn out or defaced, then upon production of the certificate to the Directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof; and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Directors, and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate.

16 The sum of one dollar, or such sum as the Directors determine, shall be paid to the Company for every certificate, issued in respect of any share or shares, except the first.

17 The Directors may cause to be kept in any place or places either in or outside of the Province, one or more branch registers of members.

CALLS

18 (1) The Directors may from time to time make such calls as they think fit upon the shareholders in respect of all moneys unpaid on the shares held by them respectively and not be the conditions of allotment thereof made payable at fixed times, and each shareholder shall pay the amount of every call so made on the shareholder to the person and at the times and places appointed by the Directors.

(2) A call may be made payable by instalments.

19 A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.

20 At least fourteen days' notice of any call shall be given, and such notice shall specify the time and place at which and the person to whom such call shall be paid.

21 If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof the person from whom the sum is due shall pay interest for the same at the rate of ten per cent per annum from the day appointed for the payment thereof up to the time of the actual payment.

22 On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the member sued is entered on the Register as the holder, or one of the holders, of the share or shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

23 The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by the member

beyond the sums actually called for and upon the moneys so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, not exceeding ten per cent *per annum*, as the member paying such sum in advance and the Directors agree upon, or the Directors may agree with such member that a member may participate in profits upon the amounts so paid or satisfied in advance.

FORFEITURE OF SHARES

24 If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring the member to pay the same, together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

25 (1) The notice shall name a day, not being less than fourteen days after the date of the notice, and a place or places, on and at which such call or instalment and such interest and expenses as aforesaid are to be paid.

(2) The notice shall also state that in the event of non-payment on or before the day and at the place or one of the places so named, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

26 (1) If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Directors to that effect.

(2) Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.

27 When any share has been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register.

28 Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

29 The Directors may at any time before any share so forfeited has been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

30 Any member whose shares have been forfeited shall, notwithstanding[,] be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon, or in respect of such shares at the time of the forfeiture, together with interest thereon, at the rate of ten per cent *per annum*, from the time of forfeiture until payment and the Directors may enforce the payment thereof if they think fit, but shall be under no obligation to do so.

31 A certificate in writing under the hands of one of the Directors and countersigned by the Secretary or a certificate under the hand of a sole Director if there by [be] only one, stating that a share has been duly forfeited on a specified date in pursuance of these Articles and the time when it was forfeited shall be conclusive evidence of the facts therein stated as against all persons who would have been entitled to the share but for such forfeiture.

LIEN ON SHARES

32 (1) The Company shall have a first and paramount lien upon all shares, other than fully paid up shares, registered in the name of each shareholder, whether solely or

jointly with others, and upon the proceeds from the sale thereof for the debts of the shareholder, liabilities and other engagements, solely or jointly with any other person, to or with the Company, whether or not the period for the payment, fulfillment or discharge thereof has actually arrived, and such lien shall extend to all dividends from time to time declared in respect of such shares.

(2) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of any lien of the Company on such shares.

33 For the purpose of enforcing such lien, the Directors may sell the shares subject to the lien in such manner as they think fit; but no sale shall be made until the period for payment, fulfillment or discharge of such debts, liabilities or other engagements has arrived, and until notice in writing of the intention to sell has been given to such member, the member's executors or administrators and default shall have been made by the member or them in the payment, fulfillment or discharge of such debts, liabilities of [or] engagements for seven days after such notice.

34 The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagement and the residue, if any, paid to such member or the executors, administrators or assigns of the member.

VALIDITY OF SALES

35 Upon any sale, after forfeiture or for enforcing a lien, in purported exercise of the powers given by these Articles, the Directors may cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceedings or to the application of the purchase money, and after the name of the purchaser has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER OF SHARES

36 The instrument of transfer of any share in the Company shall be signed by the transferrer and the transferrer shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof, and shall be entitled to receive any dividend declared thereon before the registration of transfer.

37 The instrument of transfer of any share shall be in writing in the following form, or as near thereto as circumstances will permit:

For value received hereby, sell, assign and transfer unto
 . . . shares of the capital stock represented by the within certificate, and do
 hereby irrevocably constitute and appoint attorney to transfer the
 said stock on the books of the within named Corporation with the full power
 of substitution in the premises.

Dated the day of, 19.

WITNESS:

38 Where shares are held in the Canadian Depository for Securities, a transfer may be effected by any means approved by the Depository.

39 The Directors may, without assigning any reason therefor, decline to register any transfer of shares not fully paid up or upon which the Company has a lien.

40 (1) No transfer of prescribed securities shall be registered unless and until the Directors have by a resolution approved the transfer of such prescribed securities and the registration of the transfer and the Directors shall be under no obligation to give such approval or to give any reason for withholding the same.

(2) The number of holders of prescribed securities of the Company exclusive of persons who are in the employment of the Company shall not exceed fifty (50), two or more persons holding one or more prescribed securities jointly being counted as a single holder.

(3) The Company shall not distribute any of its prescribed securities or securities convertible into or exchangeable for prescribed securities to the public.

(4) In this Article, “prescribed securities” means securities prescribed by the Nova Scotia Securities Commission for the purpose of the definition of “private company” contained in the *Securities Act* and “distribute” and “securities” have the meanings ascribed to those terms in the *Securities Act*.

41 Every instrument of transfer shall be left at the office of the Company or its transfer agent where the principal or branch register of members is maintained for registration together with the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferrer or right of the transferrer to transfer the shares.

42 A fee not exceeding five dollars may be charged for each transfer and shall, if required by the Directors, be paid before the registration thereof.

43 Every instrument of transfer shall, after the registration thereof, remain in the custody of the Company, but any instrument of transfer which the Directors decline to register shall except in the case of fraud, be returned to the person depositing the same.

44 The transfer books and Register of members may be closed during such time as the Directors think fit, not exceeding in the whole thirty days in each year.

TRANSMISSION OF SHARES

45 Notwithstanding anything in these Articles, if the Company has only one member, not being one of several joint holders, and that member dies, the executors or administrators of such deceased member shall be entitled to register themselves in the register of members as the holders of such deceased member’s share whereupon they shall have all the rights given by these Articles and law to members.

46 The executors or administrators of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the share, and in the case of a share registered in the names of two or more holders, the survivor or survivors, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the Company as having any title to, or interest in, the share.

47 (1) Any person becoming entitled to share in consequence of the death or bankruptcy of any member, or in any other way than by allotment or transfer, upon producing such evidence of the person being entitled to act in the capacity claimed, or of the title of the person, as the Directors think sufficient, may, with the consent of the Directors, which they shall not be under any obligation to give, be registered as a member in respect of such shares or may, without being registered, transfer such shares subject to the provisions of these Articles respecting the transfer of shares.

(2) The Directors shall have the same right to refuse to register a person entitled by transmission to any shares, or the nominee of the person, as if the person were the transferee named in an ordinary transfer presented for registration.

(3) This Article is hereinafter referred to as the “transmission clause”.

SHARE WARRANTS

48 The Company, with respect to fully paid-up shares, may issue warrants, hereinafter called "share warrants", stating that the bearer is entitled to the shares therein specified and may provide, by coupons or otherwise, for the payment of future dividends on the shares included in such warrants.

49 (1) The Directors may determine, and from time to time vary, the conditions upon which share warrants shall be issued, and, in particular the conditions upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed; or upon which the bearer of a share warrant shall be entitled to attend and vote at general meetings, or upon which a share warrant may be surrendered and the name of the bearer entered in the Register in respect of the shares therein specified.

(2) Subject to such conditions, and to these presents, the bearer of a share warrant shall be a member to the full extent.

(3) The bearer of a share warrant shall be subject to the conditions for the time being in force, whether made before or after the issue of such warrant.

INCREASE OR REDUCTION OF CAPITAL

50 The Company may, from time to time by resolution of its members passed at a general meeting, increase its capital by the creation of new shares of such amount as it thinks expedient.

51 The new shares may be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof, shall direct; and if no direction be given, as the Directors shall determine, and in particular, but without limiting the generality of the foregoing, such shares may be issued with a preferential or qualified right to dividends and to the assets of the Company upon distribution and with a special or without any right of voting.

52 The Company in general meeting may, before the issue of any new shares, determine that the same, or any of them shall be offered in the first instance to all the then members or to the members of any class, in proportion to the amount of the capital had by them or make any other provisions as to the issue and allotment of the new shares; but in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the original capital.

53 Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares, shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

54 The Company may, from time to time, by special resolution reduce its share capital in any way and with and subject to any incident authorized and consent required by law.

55 Any action proposed to be taken by the Company pursuant to Articles 50 and 51 shall, where and to the extent that subsection 12(1) of the Third Schedule to the Act applies to such action, be subject to the additional approval required by that subsection and those Articles shall not limit in any way the application of that subsection.

ALTERATION OF CAPITAL

56 The Company may from time to time in general meeting consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

57 The Company may from time to time in general meeting convert all or any of its paid-up shares into stock, and reconvert that stock into paid-up shares of any denomination.

58 (1) The Company may from time to time by special resolution subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association so, however, that in the subdivision the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

(2) The special resolution whereby any share is subdivided may determine that, as between the holders of the shares, resulting from such subdivision, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise, over, or as compared with, the others or other.

59 The Company may from time to time in general meeting exchange shares of one denomination for another.

60 The Company may from time to time in general meeting cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

61 The Company may from time to time by special resolution convert any part of its unissued share capital into preference shares redeemable or purchasable by the Company in the manner provided in the Act.

62 The Company may from time to time by special resolution provide for the issue of shares without any nominal or par value.

63 The Company may from time to time by special resolution, except in the case of preferred shares, convert all or any of its previously authorized unissued or issued and fully paid-up shares with nominal or par value into the same number of shares without any nominal or par value and reduce, maintain or increase accordingly its liability on any of its shares so converted, but the power to reduce its liability on any of its shares so converted where it results in a reduction of capital may only be exercised as provided by the Act.

64 (1) The Company may from time to time by special resolution, convert all or any of its previously authorized unissued or issued and fully paid-up shares, without nominal or par value, into the same or a different number of shares with nominal or par value.

(2) For such purpose the shares issued without nominal or par value and replaced by shares with a nominal or par value shall be considered as fully paid, but their aggregate par value shall not exceed the value of the net assets of the Company as represented by the shares without par value issued before the conversion.

65 Subject to the provisions of the Act, from time to time in force, the Company may, if authorized by special resolution, purchase or otherwise acquire shares issued by it.

66 Any action proposed to be taken by the Company pursuant to Articles 56 to 64, inclusive, shall, where and to the extent that subsection 12(1) of the Third Schedule to the Act applies to such action, be subject to the additional approvals required by that subsection and these Articles shall not limit in any way the application of that subsection.

INTEREST ON SHARE CAPITAL

67 (1) Subject to Section 56 of the Act, the Company may pay interest at a rate not exceeding six per cent (6%) *per annum* on share capital issued and paid up for the purpose of raising money to defray the expenses of the construction of any works or build-

ings or the provision of any plant which cannot be operated profitably for a lengthy period of time.

(2) Such interest may be paid for such period and may be charged to capital as part of the cost of construction of the work or building or of the provision of the plant.

(3) The payment of the interest shall not operate to reduce the amount paid up on the shares in respect of which it is paid.

(4) The accounts of the Company shall show full particulars of the payment during the period to which the accounts relate.

CLASSES OF SHARES

68 (1) 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 dividends, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine.

(2) Any preference shares may with the sanction of a special resolution of the Company be issued on the terms that they are, at the option of the Company, liable to be redeemed or purchased by the Company.

(3) Any action proposed to be taken by the Company pursuant to this Article shall, where and to the extent that subsection 12(1) of the Third Schedule to the Act applies to such action, be subject to the additional approvals required by that subsection and this Article shall not limit in any way the application of that subsection.

MODIFICATION OF RIGHTS OF SHAREHOLDERS

69 (1) If at any time the share capital of the Company, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, in pursuance of the provisions of the next preceding Article or otherwise, all or any of the rights and privileges attached to any such class may, subject to such additional approvals required by subsection 12(1) of the Third Schedule to the Act, be modified, altered, varied, affected, commuted, abrogated or otherwise dealt with by a resolution passed and confirmed by at least three-fourths in number of the issued shares of the class in the same manner as a special resolution at extraordinary general meetings of the holders of shares of that class, and all the provisions hereinafter contained as to general meetings shall, *mutatis mutandis*, apply to every such meeting, but so that the quorum thereof shall be members holding, or representing by proxy one-fifth in number of the issued shares of the class.

(2) This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.

SURRENDER OF SHARES

70 (1) The Directors may accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

(2) Any share so surrendered may be disposed of in the same manner as a forfeited share.

BORROWING POWERS

71 The Directors on behalf of the Company may from time to time in their discretion

- (a) raise or borrow money for the purposes of the Company or any of them;
- (b) secure the repayment of moneys so raised or borrowed in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the execution and delivery of mortgages of the Company's real or personal property, or by the issue of bonds, debentures or debenture stock of the Company secured by mortgage or otherwise or charged upon all or any part of the property of the Company, both present and future, including its uncalled capital for the time being; provided that the power to execute mortgages of the Company's real or personal property and the power to issue bonds or debentures or debenture stock secured by mortgage or otherwise shall not be exercised by the Directors except with the sanction of a special resolution of the Company previously passed and, where confirmation is necessary, confirmed in general meeting;
- (c) sign or endorse bills, notes, acceptances, cheques, contracts, and other evidence of securities for money borrowed or to be borrowed for the purposes aforesaid;
- (d) pledge debentures as security for loans.

72 Bonds, debentures, debenture stock and other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

73 Any bonds, debentures, debenture stock and other securities may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors, and otherwise.

MEETINGS

74 The first meeting of the Company shall be held within eighteen months from the date of the registration of the memorandum of association of the Company and at such place as the Directors may determine.

75 (1) Other general meetings shall be held once at least in every calendar year, at such time and place as may be determined by the Directors and not more than fifteen months after the preceding general meeting.

(2) All other meetings of the Company shall be called special general meetings.

76 The Directors may, whenever they think fit, convene a special general meeting and they shall, on the requisition of members of the Company holding not less than five per cent of the shares of the Company carrying the right to vote at the meeting sought to be held, forthwith proceed to convene a special general meeting of the Company to be held at such time and place as may be determined by the Directors.

77 The requisition must state the objects of the meeting required, and must be signed by the members making the same and shall be deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more of the requisitionists.

78 If the Directors do not proceed to cause a meeting to be held, within twenty-one days from the date of the requisition being so deposited, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of such deposit.

79 If at any such meeting a resolution requiring confirmation at another meeting is passed, the Directors shall forthwith convene a further special general meeting for the purpose of considering such resolution; and if thought fit, of confirming it as a special resolution; and if the Directors do not convene the meeting within seven days from the date of the passing of the first resolution, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene the meeting.

80 Such meetings shall be convened in the same manner as nearly as possible as such meetings are to be convened by Directors.

81 At least seven clear days' notice of every general meeting, except in the case of meetings where subsections 12(1) or (2) of the Third Schedule to the Act applies, then at least twenty-one clear days' notice shall be given, specifying the place, day and hour of the meeting, and, in the case of special business, the general nature of such business, shall be given to the members entitled to be present at such meeting, either by advertisement or by notice sent by post or otherwise served as hereinafter provided; and, with the consent in writing of all the members, entitled to vote at such meeting, a meeting may be convened by a shorter notice and in any manner they think fit, or if all the members are present at a meeting, either in person or by proxy, notice of time, place and purpose of the meeting may be waived.

82 Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and it shall be no objection to such notice that it only convenes the second meeting contingently upon the resolution being passed by the required majority at the first meeting.

83 The accidental omission to give any such notice to any of the members or the non-receipt of any such notice by any of the members shall not invalidate any resolution passed at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

84 The business of an annual general meeting shall be to receive and consider the financial statements of the Company, the reports of the Directors and of the auditors, if any, to elect Directors in the place of those retiring and to transact any other business which under these Articles ought to be transacted at an annual general meeting.

85 Two members, where there is more than one member, personally present or represented by proxy and entitled to vote shall be quorum for a general meeting, provided that a corporation which is a member of the Company and which has duly appointed a representative under the provisions of the Act who is personally present at the meeting, shall for the purposes of this clause be considered as if personally present thereat.

86 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but 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 such adjourned meeting a quorum is not present, those members entitled to vote as aforesaid who are present shall be a quorum, and may transact the business for which the meeting was called.

87 No business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.

88 (1) All of the business which the Company may transact at an annual general meeting or special meeting may be transacted by resolution in writing and signed by every shareholder who is entitled to vote and is as valid as if it were transacted at a meeting of the shareholders satisfying all the requirements of the Act respecting meetings of the shareholders.

(2) A copy of every resolution referred to in sub-article (1) shall be kept with the minutes of proceedings of shareholders.

89 The Chairman of the Board shall be entitled to take the chair at every general meeting, or if there be no Chairman of the Board, or if at any meeting the Chairman of the Board shall not be present within fifteen minutes after the time appointed for holding such meeting, the President, or failing the President a vice-president, shall be entitled to take the chair and if neither the Chairman nor the President, or a vice-president, shall be present within fifteen minutes after the time appointed for holding the meeting, the members present entitled to vote at said meeting shall choose another Director as Chairman and if no Director is present or if all the Directors present decline to take the chair then the members present entitled to vote shall choose one of their number to be Chairman.

90 Every question submitted to a meeting shall be decided, in the first instance, by a show of hands, and in the case of an equality of votes, the Chairman shall both on a show of hands and on a poll, have a casting vote in addition to the vote or votes to which the Chairman may be entitled as a member.

91 At any general meeting a resolution put to the meeting shall be decided by a show of hands, unless a poll is, before or on the declaration of the result of show of hands, demanded by the Chairman, or by a member, or by a proxyholder and, unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

92 (1) If a poll is demanded as aforesaid, it shall be taken in such manner, at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(2) The demand of a poll may be withdrawn.

(3) In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith, shall be final and conclusive.

93 The Chairman of a general meeting may, with the consent of the meeting, adjourn the same 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.

94 Any poll demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting, and without adjournment.

95 The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

96 (1) Subject to the Act and the provisions applicable to any shares issued under conditions limiting or excluding the right of holders thereof to vote at general meetings, on a show of hands every member present in person and every proxyholder shall, subject to subsection 85F(2) of the Act, have one vote, and upon a poll every member present in person or by proxy shall have one vote for every share held by the member.

(2) Where a corporation being a member is represented by a proxyholder who is not a member or by representative duly authorized under the Act, such proxyholder or representative shall be entitled to vote for such Corporation [corporation] either on a show of hands or at a poll.

97 Any person entitled under the transmission clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if the person were the

registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which the person proposes to vote, the person shall satisfy the Directors of the right of the person to transfer such shares, unless the Directors shall have previously admitted the right of the person to vote in respect thereof.

98 (1) Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy, in respect of such shares as if the person were solely entitled thereto; and if more than one of such joint holders is present at any meeting, personally or by proxy, that one of the persons so present, whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof.

(2) Several executors or administrators of a deceased member in whose sole name any share stands shall for the purposes of this Article be deemed joint holders thereof.

99 Votes may be given either personally or by proxy or in the case of a corporation by a representative duly authorized under the Act.

100 (1) A proxy shall be in writing under the hand of the appointer or of the attorney of the appointer duly authorized in writing, or, if such appointer is a corporation, under its common seal or the hand of its attorney or representative authorized in the manner referred to in clause 86(1)(a) of the Act.

(2) Holders of share warrants shall not be entitled to vote by proxy in respect of the shares included in such warrants unless otherwise expressed in such warrants.

101 Where the exercise of a right or obligation to elect belonging to or imposed on a member is the subject of a representation order made pursuant to the *Adult Capacity and Decision-making Act*, the member may vote by the member's representative appointed pursuant to that Act and the representative may vote by proxy.

102 (1) A proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority certified by a Notary Public shall be deposited at the office not less than forty-eight hours excluding Saturdays and holidays before the meeting or adjourned meeting at which it is to be voted unless the directors [Directors], by resolution, determine otherwise, but a proxy shall cease to be valid one year after its date.

(2) Notice of the requirement for depositing proxies shall be given in the notice calling the meeting.

103 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received before the meeting, at the office or by the Chairman of the meeting before the vote is given.

104 Every form of proxy when the Company is not a reporting issuer, whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form or to the effect following; or in such other form as the Directors may from time to time determine which complies with the Articles made pursuant to the Act:

I, of in the County of, being a member of Limited, hereby appoint of (or failing that person of, or failing that person of) as my proxy to attend and vote for me and on my behalf at the annual general (or special general as the case may be) meeting of the Company, to be held on the day of and at any adjournment thereof, or at any meeting

of the Company which may be held within months from the date thereof.

[Where the proxy is solicited by or on behalf of management of the Company a statement to that effect]

As witness my hand this day of, 19.

WITNESS
SHAREHOLDER

105 No member shall be entitled to be present or to vote on any question either personally or by proxy at any general meeting, or upon a poll, or be reckoned in a quorum while any call or other sum is due and payable to the Company in respect of any of the shares of such member.

106 (1) Any resolution passed by the Directors, notice whereof shall be given to the members in the manner in which notices are hereinafter directed to be given and which shall, within one month after it has been passed, be ratified and confirmed in writing by members entitled on a poll to three-fifths of the votes, shall be as valid and effectual as a resolution of a general meeting, but this Article shall not apply to a resolution for winding up the Company, to a resolution passed in respect of any matter which by statute or these presents ought to be dealt with by special resolution, or any action which, by virtue of subsection 12(1) of the Third Schedule to the Act, requires approval in accordance with that subsection.

(2) Where the Company has only one member, all business which the Company may transact at annual or special meetings of members shall be transacted in the manner specified in Article 85.

DIRECTORS

107 Unless otherwise determined by general meeting, the number of directors shall not be less than one or more than seven.

108 Notwithstanding anything herein contained, the subscribers to the Memorandum of Association of the Company shall be the first Directors of the Company.

109 The Directors shall have power at any time and from time to time to appoint any other person either to fill a casual vacancy or as an addition but so that the total number of Directors shall not at any time exceed the maximum number, fixed as above, and so that no such appointment shall be effective unless two thirds of the Directors concur therein.

110 Directors shall not be required to hold a qualifying share as their qualification for appointment to the Board.

111 The Directors shall be paid out of the funds of the Company by way of remuneration for their service such sums, if any, as the Company in general meeting may determine and such remuneration shall be divided among them in such proportions and manner as the Directors may determine; the Directors may also be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

112 The continuing Directors may act notwithstanding any vacancy in their body; but if the number falls below the minimum above fixed the Directors shall not, except in emergencies or for the purpose of filling vacancies, act so long as the number is below the minimum.

113 A Director may, in conjunction with the office of Director, and on such terms as to remuneration and otherwise as the Directors arrange or determine, hold any other office or place of profit under the Company or under any company in which this Company shall be a shareholder or otherwise interested or under any other company.

114 The office of the Director shall *ipso facto* be vacated if the Director

- (a) becomes bankrupt or makes an authorized assignment or suspends payment, or compounds with the creditors of the Director;
- (b) is found to be an incompetent person or becomes of unsound mind;
- (c) by notice in writing to the Company resigns the office of Director; or
- (d) is removed by resolution of the Company as provided in these Articles or any amendments thereto.

115 (1) No Director shall be disqualified by the office of the Director from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into or proposed to be entered into by or on behalf of the Company in which any Director shall be in any way interested, either directly or indirectly, be avoided, nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established; however, the existence and nature of the interest of the Director must be declared by the Director at a meeting of the Directors.

(2) In the case of a proposed contract such Director shall declare the interest at the meeting of Directors at which the question is first taken into consideration, or if the Director was not then interested, at the next meeting held after the Director became so interested, and when the Director becomes interested after it is made, the Director shall declare the interest of the Director at the first meeting held after the Director becomes so interested.

(3) A general notice given to the Directors by a Director that the Director is a member, shareholder or Director [director] of any specified firm or company, and is to be regarded as interested in any transaction or contract with such firm or company shall be deemed to be sufficient declaration under this Article and no further or other notice shall be required.

(4) No Director shall as a Director vote in respect of any contract or arrangement in which the Director is so interested, or if the Director does so vote, the vote of the Director shall not be counted.

(5) This prohibition may at any time or times be suspended or relaxed to any extent by a general meeting and shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security for advances or by way of indemnity.

ELECTION OF DIRECTORS

116 (1) At every annual general meeting, all the Directors shall retire from office, but shall hold office until the dissolution of the meeting at which their successors are elected.

(2) The Company shall at such meeting fill the vacant offices by electing a like number of persons to be Directors, unless it is determined at such meeting to reduce or increase the number of Directors.

(3) A retiring Director shall be eligible for re-election.

117 If at any annual general meeting at which an election of Directors ought to take place and no such election takes place, or if no annual general meeting is held in any year or period of years, the retiring Directors shall continue in office until their successors are elected and a general meeting for that purpose may on notice be held at any time.

118 The Company in general meeting may from time to time increase or reduce the number of Directors, and may determine or alter their qualifications.

119 The Company may, by special resolution, remove any Director before the expiration of the period of office of the Director and appoint another person in the stead of the Director; and the person so appointed shall hold office during such time only as the Director in whose place the person is appointed would have held the same if the Director had not been removed.

120 Any casual vacancy occurring among the Directors may be filled by the Directors, but any person so chosen shall retain office only so long as the vacating Director would have retained it if the vacating Director had continued as a Director.

MANAGING DIRECTOR

121 The Directors may from time to time, appoint one or more of their body to be managing Director or managing Directors of the Company, either for a fixed term or without any limitation as to the period for which the managing Director or managing Directors are to hold such office, and may, from time to time, remove or dismiss the managing Director or managing Directors from office and appoint another or others in place of the managing Director or managing Directors.

122 A managing Director shall, subject to the provisions of any contract between the managing Director and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if the managing Director ceases to hold the office of Director for any cause, the managing Director shall, *ipso facto*, and immediately cease to be managing Director.

123 The remuneration of a managing Director shall from time to time be fixed by the Directors, and may be by way of salary, or commission, or participating in profits, or by any or all of these modes.

124 The Directors may, from time to time entrust to and confer upon a managing Director for the time being such of the powers exercisable under these Articles by the Directors as they think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

THE PRESIDENT AND VICE-PRESIDENT

125 (1) The Directors shall elect the President of the Company, who need not be a Director, and may determine the period for which the President is to hold office.

(2) The President shall have general supervision of the business of the Company and shall perform such duties as may be assigned to the President from time to time by the Board.

126 The Directors may also elect vice-presidents and determine the period for which they are to hold office and a vice-president need not be a Director and any vice-president shall, at the request of the President or the Board and subject to the directions of the Board, perform the duties of the President during the absence, illness or incapacity of the President.

127 If the Directors so decide, the same person may hold more than one of the offices provided for in these Articles.

CHAIRMAN OF THE BOARD

128 (1) The Directors may also elect one of their number to be Chairman of the Board and may determine the period during which the Chairman is to hold office.

(2) The Chairman shall perform such duties and receive such special remuneration as the Board may from time to time provide.

PROCEEDINGS OF DIRECTORS

129 The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit, and may determine the quorum necessary for the transaction of business, but until otherwise determined two or more Directors shall constitute a quorum if two or more Directors have been appointed.

130 (1) Meetings of Directors may be held either within or without the Province and the Directors may from time to time make arrangements relating to the time and place of holding Directors' meetings, the notice to be given thereof and what meetings may be held without notice.

(2) Unless otherwise provided by such arrangements,

(a) a meeting of Directors may be held at the close of every annual general meeting of the Company without notice;

(b) notice of every other Directors' meeting shall be delivered or mailed or telegraphed or telephoned to each Director 48 hours before the meeting is to take place;

(c) a meeting of Directors may be held without formal notice if all the Directors are present, or if those absent have signified their assent to such meeting or their consent to the business transacted at the meeting;

(d) the accidental omission to give any such notice to any of the Directors or the failure of any Director to receive such notice shall not invalidate any resolution passed at any such meeting.

131 (1) The President or any Director may at any time, and the Secretary, upon the request of the President or any Director, shall summon a meeting of the Directors to be held at the office.

(2) The President, the Chairman of the Board or a majority of the Board and the Secretary at the request of the President, the Chairman of the Board or a majority of the Board, may at any time summon the meeting to be held elsewhere.

132 Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

133 (1) The Chairman of the Board shall preside at the meeting of the Directors.

(2) If no Chairman of the Board is elected, or if at any meeting of the Directors the Chairman is not present within five minutes after the time appointed for holding the same, the President shall preside and if the President is not present at the time appointed for holding the meeting, a vice-president of the Company shall preside, however both President and vice-president must be Directors to be so appointed, and if neither the President nor vice-president be present at any meeting within the prescribed time, the Directors present shall choose some one of their number to be Chairman of such meeting.

134 A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion for the time being vested in or exercisable by the Directors generally.

135 (1) The Directors may delegate any of their powers to committees, consisting of such number of members of their body as they think fit.

(2) Any committee so formed shall in the exercise of the powers so delegated conform to any Articles that may be imposed on them by the Directors.

136 The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions contained in this Table for regulating the meetings and proceedings of the Directors so far as the provisions are applicable thereto and are not superseded by any Articles made by the Directors under the preceding Article.

137 All acts done at any meeting of the Directors or of a committee of Directors, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of 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.

138 (1) A resolution in writing and signed by every Director who would be entitled to vote on the resolution at a meeting is as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

(2) A resolution so effected shall be deemed to constitute a waiver of any notice required under these Articles or the Act to have been given for such a meeting.

(3) The signature of a member who is a body corporate shall be evidenced by the signature of an officer or officers, Director [director] or Directors [directors], or other person or persons authorized by the body corporate.

139 Where the Company has only one Director the business affairs of the Company shall be managed by such Director and all business which may be transacted at a meeting of the Directors shall be transacted by such Director in the manner provided for in Article 138.

140 If any one or more of the Directors are called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, or the business thereof, the Company may remunerate the Director or Directors so doing, either by a fixed sum or by a percentage of profits or otherwise, as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for the share of the Director in the remuneration above provided.

REGISTERS

141 The Directors shall cause a proper Register of the members of the Company to be kept in accordance with the provisions of the Act.

142 The Directors may cause to be kept in any place outside of the Province a Branch Register of members in accordance with the provisions of the Act.

143 The Directors shall also cause to be kept a proper Register, containing the names and addresses and occupations of its Directors or managers in accordance with the provisions of the Act.

144 The Directors shall cause a proper Register of the holders of debentures to be kept at the registered office of the Company in accordance with the provisions of the Act.

145 The Directors may cause to be kept in any place outside of the Province a Branch Register of the holders of debentures in accordance with the provisions of the Act.

MINUTES

146 The Directors shall cause Minutes to be duly entered in books for that purpose

- (a) of all appointments of officers;
- (b) of the names of the Directors present at each meeting of the Directors and of any committees of Directors;
- (c) of all orders made by the Directors and committees of Directors;
- (d) of all resolutions and proceedings of meetings of the shareholders and of meetings of the Directors;

and any such Minutes of any meeting of the Directors or of any committee, or of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matter stated in such Minutes.

POWERS OF DIRECTORS

147 The management of the business of the Company shall be vested in the Directors, who, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the applicable statutes, and of these Articles and to any Articles from time to time made by the Company in general meeting; provided that no Article so made shall invalidate any prior act of the Directors, which would have been valid if such Article had not been made.

148 Without restricting the generality of the provisions of Article 147 and without prejudice to the general powers conferred thereby, and the other powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power from time to time to

- (a) take such steps as they think fit to carry into effect any agreement or contract made by or on behalf of the Company;
- (b) pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment, and registration of the Company;
- (c) purchase, or otherwise acquire, for the Company any property, rights or privileges which the Company is authorized to acquire, and at such price and generally on such terms and conditions as they think fit;
- (d) at their discretion pay for any property, rights, or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up, or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged;
- (e) subject to the Act, secure the fulfillment of any contracts or engagements entered into by the Company, by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being, or in such other manner as they may think fit;
- (f) appoint, and at their discretion remove or suspend, such experts, managers, secretaries, treasurers, officers, clerks, agents and servants for permanent, temporary or special services, as they from time to time think fit, and determine their powers and duties, and fix their salaries or emoluments, and require security in such instances and to such amounts as they think fit;

(g) accept from any member insofar as the law permits, and on such terms and conditions as shall be agreed upon, a surrender of the shares of the member or any part thereof;

(h) appoint any person or persons, whether incorporated or not, to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, and for any other purposes, and execute and do all such deeds and things as may be requisite in relation to any such trust, and provide for the remuneration of any such trustee or trustees;

(i) institute, conduct, defend, compound, or abandon, any legal proceedings by or against the Company, or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company;

(j) refer any claims or demands by or against the Company to arbitration, and observe and perform the awards;

(k) make and give receipts, releases and other discharges for money payable to the Company and for claims and demands of the Company;

(l) determine who shall be entitled to exercise the borrowing powers of the Company and sign on the Company's behalf bonds, debentures or other securities, bills, notes, receipts, acceptances, assignments, transfers, hypothecations, pledges, endorsements, cheques, drafts, releases, contracts, agreements and all other instruments and documents;

(m) provide for the management of the affairs of the Company abroad in such manner as they think fit, and in particular appoint any persons to be the attorneys or agents of the Company with such powers, including power to sub-delegate, and upon such terms as may be thought fit;

(n) invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities and in such manner as they think fit, and from time to time to vary or realize such investments;

(o) subject to the Act, execute in the name and on behalf of the Company, in favour of any Director or any other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property, present and future, as they think fit, and any such mortgages may contain a power of sale, and such other powers, covenants and provisions as shall be agreed on;

(p) give any officer or other person employed by the Company a commission of the profits of any particular business or transaction, or a share in the general profits of the Company, and such commission, or share of profits, shall be treated as part of the working expenses of the Company.

(q) set aside out of the profits of the Company before declaring any dividend, such sums as they think proper as a reserve fund to meet contingencies, or to provide for dividends, or for depreciation, or for repairing, improving and maintaining any of the property of the Company and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and invest the several sums so set aside upon such investments other than shares of the Company, as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company, and divide the reserve fund into such special funds as they think fit, with full power to employ the assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets;

(r) from time to time make, vary and repeal by-laws for the Article of the business of the Company, or of its officers and servants, or the members of the Company, or any section or class thereof;

(s) enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on

behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid; or otherwise for the purpose of the Company;

(t) to provide for the management of the affairs of the Company in such manner as they shall think fit.

SOLICITORS

149 The Company may employ or retain a solicitor or solicitors, and such solicitors may, at the request of the Directors, or on instructions of the Chairman of the Board, or the President or managing Director, attend meetings of the Directors or shareholders, whether or not the solicitor is a member or Director of the Company, and if a solicitor is also a Director, the solicitor may nevertheless charge for services rendered to the Company as a solicitor.

SECRETARY AND TREASURER

150 There shall be a Secretary of the Company, who shall keep the Minutes of the shareholders' and Directors' meetings and shall perform such other duties as may be assigned to the Secretary by the Board.

151 The Directors may appoint a Treasurer of the Company to carry out such duties as the Board may assign.

152 If the Directors think it advisable, the same person may hold the offices of both Secretary and Treasurer, or the offices of the President and Secretary.

153 The Directors may appoint a temporary substitute for the Secretary, who shall, for the purposes of these Articles, be deemed to be the Secretary.

THE SEAL

154 (1) The Directors shall procure a Seal for the Company and shall provide for its safe custody.

(2) The Seal may be affixed to any instrument in the presence of and contemporaneously with the attesting signatures of two persons who are officers and/or Directors of the Company, or in the presence of and contemporaneously with the attesting signature of any one person designated by and under the authority of a resolution of the Board of Directors or of a committee of the Board.

(3) If the Company has only one Director and officer, the common seal may be affixed in the presence of and contemporaneously with the attesting signature of that Director and officer; and for the purpose of certifying documents or proceedings of the Company, the common seal may be affixed by one of the President, vice-president, Secretary or a Director.

155 The Company may have facsimiles of the common seal which may be used interchangeably with the common seal.

156 The Company may have for use at any place outside the Province to which the corporate existence and capacity of the Company extends an official seal that is a facsimile of the common seal of the Company with the addition on its face of the name of the place where it is to be used; and the Company may by writing under the seal of its common seal authorize any person to affix such official seal to any document at such place to which the Company is a party, and may prescribe and limit the type of documents to which the official seal may be affixed by such person.

DIVIDENDS

157 (1) The profits of the Company, subject to the provisions of the memorandum of association, and these Articles and to the rights of persons, if any, entitled to shares with special rights as to dividends, may be divided among the members in proportion to the amount of capital paid up on the shares held by them respectively.

(2) Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not while carrying interest confer a right to participate in profits.

158 The Directors may from time to time declare such dividend upon the shares of the Company as they may deem proper according to the rights of the members and the respective classes thereof, and may determine the date upon which the same shall be payable, and provide that any such dividend shall be payable to the persons registered as the holders of the shares in respect of which the same is declared at the close of business upon such date as the Directors may specify, and no transfer of such shares made or registered, after the date so specified, shall pass any right to the dividend so declared.

159 No dividend shall be payable except out of the profits of the Company, and no dividend shall carry interest against the Company.

160 The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

161 The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.

162 The Directors may deduct from the dividends payable to any member all such sums of money as may be due and payable by the member to the Company on account of calls, instalments or otherwise, and may apply the same in or towards satisfaction of such sums of money so due and payable.

163 The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

164 The Directors may retain the dividends payable upon shares or stock in respect of which any person is under the transmission clause entitled to become a member, or which any person under that clause is entitled to transfer until such person has become a member in respect thereof, or shall duly transfer the same.

165 The Directors, on declaring a dividend, may make a call on the members of such amounts as they may fix, but so that the call on each member shall not exceed the dividend payable to the member, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the call; and the making of a call under this Article shall be deemed and be business of a Directors' meeting which declares such a dividend.

166 The Directors, on declaring a dividend, may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures, bonds or debenture stock of the Company or paid up shares, debentures, bonds or debenture stock of any other Company [company] or in any one or more of such ways.

167 The Directors may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserve funds or in the hands of the Company and available for dividend, or representing premiums received on the issue of shares and standing to the credit of the share premium account, be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions, and that all or any

part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

168 (1) For the purposes of giving effect to any resolution under the two last preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed, or that fractions of less value than five dollars may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized fund as may seem expedient to the Directors.

(2) Where requisite, proper memoranda shall be filed in accordance with the Act.

169 A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

170 Any one of several persons who is registered as the joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

171 Unless otherwise determined by the Directors, any dividend may be paid by a cheque or warrant delivered to or sent through the post to the registered address of the member entitled, or, in the case of joint holders, to the registered address of that one whose name stands first on the Register, in respect of the joint holding; and every cheque or warrant so delivered or sent shall be made payable to the order of the person to whom it is delivered or sent.

172 Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

173 All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

174 Any meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures, bonds or debenture stock of the Company or paid up shares, debentures, bonds, or debenture stock of any other Company [company], or in any one or more of such ways.

ACCOUNTS

175 The Directors shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure takes place, and of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

176 The books of account shall be kept at the head office of the Company or at such other place or places as the Directors may direct.

177 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or Articles the accounts and books of the Company or any of them shall be open to inspection of the members, and no member shall have any right of inspecting any account or book or document of the Company except as

conferred by statute or authorized by the Directors or a resolution of the Company in general meeting.

178 At the annual general meeting in every year the Directors shall lay before the Company the financial statements, report of the auditor, if any, and the report of the Directors required by subsection 121(1) of the Act.

179 The financial statements shall be approved by the Board and the approval shall be evidenced by the signature at the foot of the balance sheet of two Directors of the Company duly authorized to sign or if the Company has only one Director, by the signature at the foot of the balance sheet of that Director.

180 The Directors shall send copies of the financial statements, together with copies of the auditor's report, if any, and the report of the Directors, if applicable, to all members who hold voting securities of the Company and to all other members entitled to receive notices of general meetings of the Company at least seven days before the date of the general meeting before which they are to be placed.

AUDITORS AND AUDIT

181 (1) The Company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(2) If at any general meeting at which the appointment of an auditor or auditors is to take place no such appointment takes place, or if no annual general meeting is held in any year or period of years, the Directors shall appoint an auditor to hold office until the next annual general meeting.

182 The first auditors of the Company may be appointed by the Directors at any time before the first annual general meeting and the auditors so appointed shall hold office until such meeting unless previously removed by a resolution of the shareholders in general meeting, in which event the shareholders at such meeting may appoint auditors.

183 The Directors may fill any casual vacancy in the office of the auditor but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act.

184 (1) Subject to an exemption order made pursuant to subsection 119A(5) of the Act, a person is disqualified from being an auditor of the Company if the person is not independent of the Company, all of its affiliates, or of the Directors or officers of the Company and its affiliates.

(2) For the purpose of this Article

(a) independence is a question of fact; and

(b) a person is deemed not to be independent if the person or the person's business partner

(i) is a business partner, director, officer or employee of the Company or any of its affiliates, or a business partner of any Director, officer or employee of the Company or any of its affiliates,

(ii) beneficially owns, directly or indirectly, or exercises control or direction over a material interest in the shares of or debt owing by the Company or any of its affiliates, or

(iii) has been a receiver, receiver and manager, liquidator or trustee in bankruptcy of the Company or any of its affiliates within two years of the person's proposed appointment as auditor of the Company.

(3) An auditor who becomes disqualified pursuant to this Article shall resign forthwith upon becoming aware of the disqualification.

185 The remuneration of the auditors shall be fixed by the Company in general meeting, or by the Directors pursuant to authorization given by the shareholders at the annual general meeting except that the remuneration of an auditor appointed to fill a casual vacancy may be fixed by the Directors.

186 (1) The auditors shall conduct such audit and make such examination of the financial statements of the Company required by the Act to be placed before the members in general meeting as is necessary for the auditors to report thereon.

(2) The auditors shall report on the financial statements in the form recommended from time to time in the CPA Canada Handbook.

187 (1) The members may, except where the auditor has been appointed by order of the court pursuant to the Act, by resolution passed by a majority of the votes cast at a special meeting duly called for the purpose, remove an auditor before the expiration of the auditor's term of office and shall, by a majority of the votes cast at that meeting, appoint another auditor in place of the removed auditor for the remainder of the term.

(2) Before calling a special meeting for the purpose specified in sub-article (1) or an annual general or special meeting where the Directors are not recommending the re-appointment of the incumbent auditor, the Company shall, fifteen days or more before the mailing of the notice of the meeting, give to the auditor

(a) written notice of the intention to call the meeting, specifying therein the date on which the notice of the meeting is proposed to be mailed; and

(b) a copy of all material proposed to be sent to members in connection with the meeting.

(3) An auditor has the right to make to the Company, three days or more before the mailing of the notice of the meeting, representations in writing concerning

(a) the auditor's proposed removal as auditor;

(b) the appointment or election or another person to fill the office of auditor; or

(c) the auditor's resignation as auditor;

and the Company, at its expense, shall forward with the notice of the meeting a copy of such representations to each member entitled to receive notice of the meeting.

(4) The Company shall give notice in writing to an auditor of the auditor's appointment forthwith after the appointment is made.

(5) A resignation of an auditor becomes effective at the time the written resignation is sent to the Company or at the time specified in the resignation, whichever is later.

188 (1) Upon the demand of an auditor of the Company, the present or former Directors, officers, employees or agents of the Company shall furnish such

(a) information and explanations; and

(b) access to records, documents, books, accounts and vouchers of the Company or any of its subsidiaries;

as are, in the opinion of the auditor, necessary to enable the auditor to make the examination and report required under the Act and that the Directors, officers, employees and agents are reasonably able to furnish.

(2) Upon the demand of an auditor of the Company, the Directors of the Company shall

(a) obtain from the present or former Directors, officers, employees and agents of any subsidiary of the Company the information and explanations that the present or former Directors, officers, employees and agents are reasonably able to furnish and that are, in the opinion of the auditor, necessary to enable the auditor to make the examination and report required under the Act; and

(b) furnish the information and explanations so obtained to the auditor.

(3) The auditor of the Company is entitled to receive notice of every meeting of members and, at the expense of the Company, to attend and be heard at the meeting on matters relating to the auditor's duties as an auditor.

(4) If any Director or member of the Company, whether or not the member is entitled to vote at the meeting, gives written notice not less than five days before a meeting of the Company to the auditor or former auditor of the Company, the auditor or former auditor shall attend the meeting at the expense of the Company and answer questions relating to the auditor or former auditor's duties as auditor.

(5) A Director or member who sends a notice referred to in sub-article (4) shall send concurrently a copy of the notice to the Company.

189 The auditors' report shall be placed before each annual general meeting of the Company and shall be read at the meeting and be open for inspection by the members present.

190 (1) A Director or officer of the Company shall forthwith notify all Directors and the auditor or former auditor of any error or misstatement of which the Director or officer becomes aware in a financial statement that the auditor or former auditor has reported upon if the error or misstatement in all the circumstances appears to be significant.

(2) Where the auditor or former auditor of the Company is notified or becomes aware of an error or misstatement in a financial statement upon which the auditor or former auditor has reported, and if in the auditor or former auditor's opinion the error or misstatement is material, the auditor or former auditor shall inform each Director accordingly.

(3) Where, pursuant to sub-article (2), the auditor or former auditor informs the Directors of an error or misstatement in a financial statement, the Directors shall, within a reasonable time,

(a) prepare and issue revised financial statements; or

(b) otherwise inform the members and any debenture holder of the Company who has demanded or been furnished with the financial statements which contain the error or misstatement.

191 If one auditor only is appointed, all the provisions herein contained relating to auditors shall apply to the auditor.

192 (1) If all of the members of the Company consent thereto, the provisions of these Articles and Sections 117 and 119 to 119B of the Act regarding the appointment of auditors and duties of auditors do not apply with respect to the financial year in respect of which the consent is given.

(2) Sub-article (1) shall not apply if the Company is a reporting issuer or a reporting company.

NOTICES

193 A notice may be served by the Company upon members personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered place of address.

194 Members who have no registered place of address shall not be entitled to receive any notice.

195 The holder of a share warrant shall not, unless otherwise expressed therein, be entitled in respect thereof to notice of any general meeting of the Company.

196 Any notice required to be given by the Company to the members or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement.

197 Any notice given by advertisement shall be advertised in a paper

(a) published in the place where the head office of the Company is situated;

(b) in general circulation where the head office of the Company is situated; or

(c) if no paper is published or in general circulation, then in any newspaper published in the City of Halifax.

198 All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is named first in the Register for such shares, and notice so given shall be sufficient notice to all the holders of such shares.

199 (1) Any notice sent by post shall be deemed to be served on the day following that upon which the letter, envelope or wrapper containing it is posted, and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly addressed and put into the post office with the postage prepaid thereon.

(2) A certificate in writing signed by any manager, Secretary or other official of the Company that the letter, envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

(3) The foregoing provisions of this clause shall not apply to a notice of a meeting of the Directors.

200 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share shall be bound by every notice in respect of such share that prior to the name and address of the person being entered on the Register was duly served in the manner hereinbefore provided upon the person from whom the person derived title to such share.

201 Any notice or document so advertised or sent by post to or left at the registered address of any member in pursuance of the Articles, shall, notwithstanding that such member is then deceased and that the Company has notice of the decease of the member, be deemed to have been served in respect of any registered shares, whether held by such deceased member solely or jointly with other persons, until some other person is registered in place of the deceased member as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or documents on the heirs, executors or administrators of the deceased member and all persons, if any, jointly interested with the deceased member in any such share.

202 The signature to any notice given by the Company may be written or printed.

203 When a given number of days' notice or notice extending over any other period is required to be given, the day of service and the day upon which such notice expires shall not, unless it is otherwise provided, be counted in such number of days or other period.

INDEMNITY

204 Every Director, manager, Secretary, Treasurer and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses and expenses that any such Director, manager, Secretary, Treasurer or other officer or servant may incur or become liable to pay by reason of any contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties including travelling expenses; and the amount for which such indemnity is proved shall immediately attach as a lien on the property of the Company and have priority as against the members over all other claims.

205 No Director or other officer of the Company shall, in the absence of any dishonesty on the part of the Director or such other officer, be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or through the insufficiency or deficiency of any security in or upon which any of the moneys of the Company are invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are deposited, or for any loss occasioned by error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatsoever which happens in the execution of the duties of his or her office or in relation thereto.

REMINDERS

206 The Directors shall comply with the following provisions of the Act or the *Corporations Registration Act* where indicated:

- (a) keep a Register of members;
- (b) keep a Register of the holders of debentures;
- (c) send a notice to the Registrar of any consolidation, division, conversion or reconversion of the share capital or stock of the Company;
- (d) send notice to the Registrar of any increase of capital;
- (e) call a general meeting every year within the proper time and the meeting must be held no later than fifteen months after the preceding general meeting;
- (f) send to the Registrar typed or printed copies of all special resolutions;
- (g) keep a Register of Directors and managers, send to the Registrar a copy thereof and notify the Registrar of all changes therein;
- (h) when shares are issued for a consideration other than cash, file a copy of the contract with the Registrar on or before the date on which the shares are issued;
- (i) send to the Registrar notice of the address of the Company's registered office and of all changes in such address;
- (j) keep proper Minutes of all general meetings and Directors' meetings in books reserved for the purpose and kept at the Company's registered office;
- (k) obtain a certificate under the *Corporations Registration Act* as soon as business is commenced;
- (l) send notice of recognized agent to Registrar in compliance with provisions of the *Corporations Registration Act*;
- (m) ensure that the Register of shareholders is always kept up to date;

- (n) ensure that the Register of Directors is always kept up to date;
- (o) send notice to the Registrar of any redemption or purchase of preference shares; and
- (p) file with the Registrar, upon the issuance of shares without nominal or par value, a declaration by the Secretary of the Company stating the number of shares so issued and the amount received for the shares.

TABLE B

FEES PAYABLE TO THE REGISTRAR OF JOINT STOCK
COMPANIES under Section 5 and subsection 8(2) of the COMPANIES ACT
and under the BUSINESS ELECTRONIC FILING ACT

1	For incorporation of a company	\$270.00
2	For registering a change of a company's name	\$160.00
3	For certificate under Section 17	\$55.00
4	For providing certified or stamped copy of	
	(a) articles of association	\$20.00
	(b) amalgamation certificate and supporting documents	\$20.00
	(c) all other documents	\$10.00
5	For photocopy of the following documents:	
	(a) articles of association	\$20.00
	(b) amalgamation certificate and supporting documents	\$20.00
	(c) all other documents	\$10.00
6	For filing notice of share purchase under subsection 51(11)	\$55.00
7	For filing of any Order of Court	\$55.00
8	For filing a management of dissident's information circular	\$55.00
9	For filing documents in support of an amalgamation	\$270.00
10	For filing documents striking name from register under Section 137	\$110.00
11	For a certificate of status for a company	\$30.00
12	For issuance of an exemption order under Section 124	\$270.00
13	For filing documents of discontinuance under Section 133	\$110.00

14	For filing documents of continuance under Section 133	\$270.00
15	For every search in person not involving the Federal Data Base (NUANS system)	\$5.00
16	For every search by mail not involving the Federal Data Base (NUANS system) or Registry Information System (REGIS)	\$10.00
17	For providing a company profile from electronically stored information	\$10.00
18	For direct access to electronically stored information, at a monthly rate of plus, for each hour of on-line access	\$53.25 \$2.13
19	For search of a proposed company name utilizing the Federal Data Base (NUANS system), either at the request of the submitting party or where the Registrar considers it appropriate	
	(a) for full Data Base (NUANS system) search	\$53.25
	(b) for Atlantic Provinces search including Federal trade names and trade marks	\$42.60
20	For reserving a company name based on a NUANS search that was performed outside the Office of the Registrar	\$10.65

TABLE C

FEES TO BE PAID BY A COMPANY NOT
HAVING A CAPITAL DIVIDED INTO SHARES

1	For registration of a company	\$270.00
2	For registering a change of a company's name	\$55.00
3	For providing any certificate other than the original certificate of incorporation	\$10.00
4	For filing any Order of Court	\$10.00
5	For filing prospectus	\$10.00
6	For filing mortgage	\$10.00
7	For certification, the fee set out in Table B shall apply.	

R.S., c. 81, 1st Sch.; O.I.C. 1991-828; O.I.C. 1992-162; O.I.C. 1996-562; O.I.C. 2004-138; 2007, c. 17, s. 13; 2015, c. 30, s. 146; 2017, c. 4, s. 77.

SECOND SCHEDULE

Form A

MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES

- 1st. The name of the company is *Eastern Steam Packet Company, Limited*.
- 2nd. The only object of the company shall be *the conveyance of passengers and goods in ships or boats* and the doing of all such other things as are incidental or conducive to the attainment of this object.
- 3rd. The liability of the members is limited.
- 4th. The capital of the company is dollars, divided into shares of dollars each, or
- 4th. The company proposes to issue shares without nominal or par value, or
- 4th. The amount of share capital of the company is dollars divided into hares [shares] of dollars each and the company also proposes to issue shares without nominal or par value.

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 of shares in the capital stock of the company set opposite our respective names.

Names and Addresses of Subscribers	Number of shares taken by each subscriber
<i>John Jones</i> , of in the County of	twenty
<i>John Smith</i> , of in the County of	five
<i>Thomas Green</i> , of in the County of	one
Total shares taken	<u>Twenty-six</u>

or, (if the company proposes to issue shares without nominal or par value)

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 of shares of the company set opposite our respective names.

Names and Addresses of Subscribers,	Number and kind of Shares taken
-------------------------------------	---------------------------------

by each Subscriber

<i>John Jones</i> , of in the County of	twenty, no par value.
<i>John Smith</i> , of in the County of	five, no par value.
<i>Thomas Green</i> , of in the County of	one, fixed value.
Total shares taken	Twenty-six

Dated the day of, 19.

Witness to the above signature,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting. Each subscriber must write, in words, and in his own handwriting, the number of shares he takes.

Form B

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF A COMPANY LIMITED BY GUARANTEE,
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

1st. The name of the company is *Nova Scotia (Temperance) Association, Limited*.

2nd. The only objects for which the company is established are (a) to afford to its members all the usual privileges, advantages, conveniences and accommodation of a club; (b) to promote the cause of (Temperance) and to provide means of social intercourse between persons professing (Temperance) principles; and the doing of all such other things as are incidental or conducive to the attainment of the above objects.

3rd. The liability of the members is limited.

4th. Every member of the company undertakes to contribute to the assets of the company in event of the same being wound up during the time that he is a member or within one year afterwards, for payment of the debts and liabilities of the company contracted before the time at which he ceases to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as is required, not exceeding dollars.

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.

Names and Addresses of Subscribers

- 1. *John Jones*, of in the County of
- 2. *John Smith*, of in the County of
- 3. *Thomas Green*, of in the County of

Dated the day of, 19

Witness to the above signatures,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting.

SPECIMEN ARTICLES OF ASSOCIATION
TO ACCOMPANY THE
PRECEDING MEMORANDUM OF ASSOCIATION

1 (1) In these regulations, unless there be something in the subject or context inconsistent therewith,

- (a) "Association" means the above named association;
- (b) "Council" means the members for the time being of the council hereby constituted;
- (c) "in writing" means written or printed, or partly written or partly printed.

(2) Words importing the singular number only include the plural number and vice versa.

(3) Words importing persons include corporations.

2 The subscribers to the memorandum of association and such other persons as shall be admitted to membership in accordance with these regulations, and none others, shall be members of the Association and shall be entered in the register of members accordingly.

3 There shall be two classes of members, namely

- (a) life members; and
- (b) subscribing members.

4 The qualification of a life member shall be the payment at one time to the Association of the sum of The qualification of a subscribing member shall be the annual payment to the Association of the sum of; but the qualification of life members and subscribing members respectively shall be liable to increase or reduction as may from time to time be determined by vote of an extraordinary general meeting of the Association.

5 For the purpose of registration, the number of members of the Association is to be taken to be unlimited (or is to be taken to be but the Council may from time to time register an increase of members).

6 No person shall be admitted a member of the Association in any class unless he is first approved by the Council, and the Council shall have full discretion as to the admission of any person to membership in any class.

7 Where any person desires to be admitted to membership of the Association, he must sign and deliver to the Association an application for admission framed in such terms

as the Council shall require, and such application must be accompanied by the sum of
. . . . or according to the class in respect of which he desires to become a member.

8 The privileges of a life member shall not be transferable during his life, and shall cease at his death.

9 The privileges of a subscribing member shall not be transferable and shall cease on his death, or on his failure in any year to pay his annual subscription on or before the 31st day of December in that year.

10 (1) No infant, incompetent person or shall be registered as a member of the Association, nor shall two or more persons be registered as members of the Association in respect of any one payment or annual subscription.

(2) If by any means the rights of membership become vested in any infant, incompetent person or, or any two or more persons jointly, they shall be suspended until again vested in some one person under no disability.

11 Every member, whether a life, or subscribing member, shall be bound to further to the best of his ability the objects, interest, and influence of the Association and shall observe all by-laws of the Association made pursuant to the powers in that behalf hereinafter contained.

12 (1) Any member who shall fail in observance of any of the regulations or by-laws of the Association may be excluded from the Association by resolution of a majority of at least three fourths of the members of the Council present and voting at a special Council meeting at which not less than twelve members shall be present.

(2) Such member shall have seven clear days notice sent to him of the Council meeting, and he may attend the meeting, but shall not be present at the voting or take part in the proceedings otherwise than as the Council allows.

(3) A member excluded from the Association by such meeting may, within seven days next after notice of his exclusion, appeal from the decision of the Council to a special meeting of the Association which shall thereupon be convened by the Council.

13 A majority of not less than three fourths of the members present at such last mentioned special meeting shall have power to annul the exclusion, or to annul it subject to the performance of any conditions which the meeting may think fit to impose.

14 A member so excluded shall forfeit all claim to a return of the money paid by him to the Association on his admission as a member thereof, or by way of annual subscription, as the case may be, and shall cease to be a member of the Association.

15 The following shall be the privileges of the several classes of members:

- (a) a life member shall be entitled, &c.;
- (b) a subscribing member shall be entitled, &c.

16 Seven days notice at the least, specifying the place, the day, and the hour of meeting, and in case of special business the general nature of such business, shall be given to the members in manner hereinafter mentioned, or in such manner, if any, as is prescribed by the Association in general meeting; but the non-receipt of such notice by any member shall not invalidate the proceedings at any general meeting.

17 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 the consideration of the accounts, balance sheets, and the ordinary report of the directors.

18 No business shall be transacted at any meeting unless a quorum of members is present at the commencement of such business; and such quorum shall be ascertained as follows, that is to say: If the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten, there shall be added to the above quorum one for every five additional members up to fifty, and one for every ten additional members after fifty, with this limitation, that no quorum in any case shall exceed thirty.

19 (1) If within one hour from the time appointed for the meeting a quorum of members is not present, the meeting, if convened upon the requisition of the members, shall be dissolved.

(2) In any other case it shall stand adjourned to the same day in the following week, at the same time and place; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned sine die.

20 The Chairman (if any) of the directors shall preside as Chairman at every general meeting of the Company.

21 If there is no such Chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some of their number to be Chairman of such meeting.

22 The Chairman may, with the consent of the meeting, adjourn any 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.

23 At any general meeting unless a poll is demanded by at least five members, a declaration by the Chairman that a resolution has been carried and an entry to that effect in the book of the proceedings of the company, shall be sufficient evidence of the fact, without proof of the number or proportion of the voters recorded in favor of or against such resolution.

24 If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the Chairman directs and the result of such poll shall be deemed to be the resolution of the company in general meeting.

VOTES OF MEMBERS

25 Every member shall have one vote and no more.

26 No member shall be entitled to vote at any meeting unless all money due from him to the company has been paid.

27 Votes may be given either personally, or by proxy. A proxy shall be appointed in writing, under the hand of the appointer, or if such appointer is a corporation, under its common seal.

28 No person shall be appointed a proxy who is not a member, and the instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

29 Any instrument appointing a proxy shall be in the following form:

The Association, Limited.

I, of in the county of being a member of the Association, Limited, hereby appoint of as my proxy, to vote for me on my behalf at the (ordinary or extraordinary, *as the case may be*) general meeting of the Association, to be held on the day of

..... and at any adjournment thereof (or, at any meeting of the Association that is held in the year).

As witness my hand, this day of

Signed by the said

In the presence of

DIRECTORS

30 The number of the directors, and the names of the first directors, shall be first determined by the subscribers of the memorandum of association.

31 Until directors are appointed the subscribers of the memorandum of association shall for all purposes be deemed to be directors.

POWER OF DIRECTORS

32 The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not hereby required to be exercised by the company in general meeting; but no regulations made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

ELECTION OF DIRECTORS

33 The directors shall be elected annually by the company in general meeting.

34 The accounts of the association shall be audited by a committee of five members, to be called the Audit Committee.

35 The first Audit Committee shall be nominated by the directors out of the body of members.

36 Subsequent Audit Committees shall be nominated by the members at the ordinary general meeting in each year.

37 The Audit Committee shall be supplied with a copy of the balance sheet, and it shall be their duty to examine the same, with the accounts and vouchers relating thereto.

38 The Audit Committee shall have a list delivered to them of all books kept by the Association, and they shall at all reasonable times have access to the books and accounts of the Association; they may, at the expense of the Association, employ accountants or other persons to assist them in investigating such accounts, and they may in relation to such accounts examine directors or any other officer of the Association.

39 The Audit Committee shall make a report to the members upon the balance sheet and accounts, and in every such report they shall state whether in their opinion the balance sheet is a full and fair balance sheet containing the particulars required by the regulations of the company, and properly drawn up, so as to exhibit a true and correct view of the company's affairs, and in case they have called for explanations or information from the directors, whether such explanations or information have been given by the directors and whether they have been satisfactory, and such report shall be read, together with the report of the directors, at the ordinary meeting.

NOTICES

40 A notice may be served by the association upon any member, either personally or by sending it through the post in a prepaid letter addressed to such member at his registered place of abode.

41 Any notice if served by post shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of the post; and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put in the post office.

WINDING UP

42 The Association shall be wound up voluntarily whenever a resolution is passed by the votes of three fourths of the members present at a general meeting, of which due notice has been given requiring the Association to be wound up voluntarily.

BUSINESS MEETINGS, ETC.

(Here insert rules relating to the conduct of business, summoning of meetings, etc.)

Names and Addresses of Subscribers

1. John Jones, of in the County of
2. John Smith, of in the County of
3. Thomas Green, of in the County of

Dated the day of, 19

Witness to the above signatures,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting.

Form C

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF A COMPANY LIMITED BY GUARANTEE
AND HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

- 1st. The name of the company is "Cape Breton Hotel Company, Limited".
- 2nd. The only objects for which the company is established are:
Facilitating travelling in the province by providing hotels and conveyances by sea and by land for the accommodation of travellers, and the doing all such other things as are incidental or conducive to the attainment of the above objects.
- 3rd. The liability of the members is limited.
- 4th. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up during the time that he is a member, or within one year afterwards for payment of the debts and liabilities of the company contracted before the time at which he ceases to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as is required, not exceeding dollars.
- 5th. The share capital of the company shall consist of dollars, divided into shares of dollars each.

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 of shares in the capital of the company set opposite our respective names.

	Names and Addresses of Subscribers	Number of Shares taken by each Subscriber
1.	<i>John Jones</i> , of in the County of	twenty
2.	<i>John Smith</i> , of in the County of	five
3.	<i>Thomas Green</i> , of in the County of	one
	Total shares taken	Twenty-six

Dated the day of, 19.

Witness to the above signature,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting. Each subscriber must write in words, and in his own handwriting, the number of shares he takes.

SPECIMEN ARTICLES OF ASSOCIATION
TO ACCOMPANY PRECEDING
MEMORANDUM OF ASSOCIATION

- (1) The capital of the company shall consist of dollars, divided into shares of dollars each.
- (2) The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.
- (3) The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.
- (4) All the articles of Table A be deemed to be incorporated with these articles, and to apply to the company.

Names and Addresses of Subscribers

- 1. *John Jones*, of in the County of
- 2. *John Smith*, of in the County of
- 3. *Thomas Green*, of in the County of

Dated the day of, 19.

Witness to the above signatures,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting.

Form D

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF AN UNLIMITED COMPANY HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

1st. The name of the company is *Patent Stereotype Company*.

2nd. The only objects for which the company is established are *the working of a patent method of founding and casting stereotype plates, of which method John Smith, of Truro, is the sole patentee.*

We, the several persons whose names 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 of shares in the capital of the company set opposite our respective names.

	Names and Addresses of Subscribers	Number of Shares taken by Subscribers
1.	<i>John Jones</i> , of in the County of	one
2.	<i>John Smith</i> , of in the County of	five
3.	<i>Thomas Green</i> , of in the County of	two
	Total	Eight

Dated the day of, 19.

Witness to the above signature,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting. Each subscriber must write, in words, and in his own handwriting, the number of shares he takes.

SPECIMEN ARTICLES OF ASSOCIATION
TO ACCOMPANY THE PRECEDING
MEMORANDUM OF ASSOCIATION

The share capital of the company is dollars, divided into shares of dollars each.

All articles of Table A shall be deemed to be incorporated with these articles, and to apply to the company.

Names and Addresses of Subscribers

1. *John Jones*, of in the County of
 2. *John Smith*, of in the County of
 3. *Thomas Green*, of in the County of
-

Dated the day of, 19

Witness to the above signatures,
A.B., No. Street, Nova Scotia.

N. B. - Each subscriber must write his name and his full post office address, all in his own handwriting.

R.S., c. 81, 2nd Sch.; 2007, c. 17, s. 14; 2007, c. 34, s. 42; revision corrected

THIRD SCHEDULE

1 In this Schedule, unless the context otherwise requires, the expressions defined in the *Companies Act*, or any statutory modification thereof in force at the date at which this Schedule becomes applicable to a company, shall have the meanings so defined; and words importing the singular shall include the plural, and vice versa, and the words importing the masculine gender shall include females, and words importing persons shall include bodies corporate, and “Act” means the *Companies Act* or any amendment thereof.

2 (1) A holder of shares of any class of a company may dissent if the company is subject to an order under clause (d) of Section 3 hereof that affects the holder or if the company resolves to

(a) amend its memorandum or articles to add, change or remove any provisions restricting or constraining the issue or transfer of the shares of that class;

(b) amend its memorandum or articles to add, change or remove any restriction upon the business or businesses that the company may carry on;

(c) amalgamate with another company, other than any wholly-owned subsidiary of the company;

(d) be continued under the laws of another jurisdiction under subsection (5) of Section 133 of the Act; or

(e) sell, lease or exchange all or substantially all its property other than in the ordinary course of business of the company.

(2) A holder of shares of any class or series of shares entitled to vote separately as a class or series upon any such amendment may dissent if the company resolves to amend its memorandum or articles to

(a) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class;

- (b) effect an exchange, reclassification or cancellation of all or part of the shares of such class;
- (c) add, change or remove the rights, privileges, restrictions or conditions attached to the shares of such class and, without limiting the generality of the foregoing,
 - (i) remove or change prejudicially rights to accrued dividends or rights to cumulative dividends,
 - (ii) add, remove or change prejudicially redemption rights,
 - (iii) reduce or remove a dividend preference or a liquidation preference, or
 - (iv) add, remove or change prejudicially conversion privileges, options, voting, transfer or pre-emptive rights, or rights to acquire securities of the company, or sinking fund provisions;
- (d) increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of such class;
- (e) create a new class of shares equal or superior to the shares of such class;
- (f) make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of such class;
- (g) effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class; or
- (h) constrain the issue or transfer of the shares of such class or extend or remove such constraint.

(3) Management's proxy circular or notice of meeting relating to a meeting of shareholders at which a proposal or other resolution with respect to any matter referred to in subsection (1) or (2) of this Section is to be raised or voted on shall state that a dissenting shareholder is entitled to be paid the fair value of his shares in accordance with this Section, but failure to make that statement does not invalidate the meeting or business thereat.

(4) In addition to any other right he may have, but subject to subsection (26) of this Section, a shareholder who complies with this Section is entitled, when the action approved by the resolution from which he dissents or an order made under clause (d) of Section 3 hereof becomes effective, to be paid by the company the fair value of the shares held by him in respect of which he dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(5) A dissenting shareholder may only claim under this Section with respect to all the shares of a class held by him on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(6) A dissenting shareholder shall send to the company, at or before any meeting of shareholders at which a proposal or other resolution with respect to any matter referred to in subsection (1) or (2) of this Section is to be raised or voted on, a written objection to the resolution, unless the company did not give notice to the shareholder of the purpose of the meeting or of his right to dissent.

(7) The company shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) of this Section notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn his objection.

(8) A dissenting shareholder shall, within twenty days after he receives a notice under subsection(7) of this Section or, if he does not receive such notice, within twenty

days after he learns that the resolution has been adopted, send to the company a written notice containing

- (a) his name and address;
- (b) the number and class of shares in respect of which he dissents; and
- (c) a demand for payment of the fair value of such shares.

(9) A dissenting shareholder shall, within thirty days after sending a notice under subsection (8) of this Section, send the certificates representing the shares in respect of which he dissents to the company or any securities registrar of the company.

(10) A dissenting shareholder who fails to comply with subsection (9) of this Section has no right to make a claim under this Section.

(11) A company or its securities registrar shall endorse on any share certificate received under subsection (9) of this Section a notice that the holder is a dissenting shareholder under this Section and shall forthwith return the share certificates to the dissenting shareholder.

(12) On sending a notice under subsection (8) of this Section, a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his shares as determined under this Section except where

- (a) the dissenting shareholder withdraws his notice before the company makes an offer under subsection (13) of this Section;
- (b) the company fails to make an offer in accordance with subsection (13) of this Section and the dissenting shareholder withdraws his notice; or
- (c) the resolution to amend the memorandum or articles is revoked, the amalgamation or application for continuance terminated, or the sale, lease or exchange abandoned, as the case may be,

in which case his rights as a shareholder are reinstated as of the date he sent the notice referred to in subsection (8) of this Section.

(13) A company shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the company received the notice referred to in subsection (8) of this Section, send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for his shares in an amount considered by the directors of the company to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) of this Section applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(14) Every offer made under subsection (13) of this Section for shares of the same class or series shall be on the same terms.

(15) Subject to subsection (26) of this Section, a company shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (13) of this Section has been accepted, but any such offer lapses if the company does not receive an acceptance thereof within thirty days after the offer has been made.

(16) Where a company fails to make an offer under subsection (13) of this Section, or if a dissenting shareholder fails to accept an offer, the company may, within fifty days after the action approved by the resolution or order made under clause (d) of Section 3 hereof becomes effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

(17) If a company fails to apply to the court under subsection (16) of this Section, a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (16) or (17) of this Section.

(19) Upon an application under subsection (16) or (17) of this Section

(a) all dissenting shareholders whose shares have not been purchased by the company shall be joined as parties and are bound by the decision of the court; and

(b) the company shall notify each affected dissenting shareholder of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

(20) Upon an application to the court under subsection (16) or (17) of this Section, the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders

(21) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(22) The final order of the court shall be rendered against the company in favour of each dissenting shareholder and for the amount of his shares as fixed by the court.

(23) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) If subsection (26) of this Section applies, the company shall, within ten days after the pronouncement of an order under subsection (22) of this Section, notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25) If subsection (26) of this Section applies, a dissenting shareholder, by written notice delivered to the company within thirty days after receiving a notice under subsection (24) of this Section, may

(a) withdraw his notice of dissent, in which case the company is deemed to consent to the withdrawal and the shareholder is reinstated to his full rights as a shareholder; or

(b) retain a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(26) A company shall not make a payment to a dissenting shareholder under this Section if there are reasonable grounds for believing that

(a) the company is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities.

(27) Notwithstanding the foregoing, a shareholder is not entitled to dissent under this Section if an amendment to the memorandum or articles of the company is effected by court order made under any other Act that affects the rights among the company, its shareholders and creditors or under Section 5 hereof.

3 In connection with an application for sanction of the court under Section 130 of the Act, the court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing,

- (a) an order determining the notice to be given to any interested person or dispensing with notice to any person;
- (b) an order appointing counsel, at the expense of the company, to represent the interests of the shareholders;
- (c) an order requiring the company to call, hold and conduct a meeting of holders of securities or options or rights to acquire securities in such manner as the court directs;
- (d) an order permitting a shareholder to dissent under Section 2 hereof.

4 (1) Subject to subsection (2) of this Section, a complainant may apply to the court for leave to bring an action in the name and on behalf of the company or any of its subsidiaries, or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate.

(2) No action may be brought and no intervention in an action may be made under subsection (1) of this Section unless the court is satisfied that

- (a) the complainant has given reasonable notice to the directors of the company or its subsidiary of his intention to apply to the court under subsection (1) of this Section if the directors of the company or its subsidiary do not bring, diligently prosecute or defend or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the company or its subsidiary that the action be brought, prosecuted, defended or discontinued.

(3) In connection with any such action brought or intervened in, the court may at any time make any order it thinks fit including, without limiting the generality of the foregoing,

- (a) an order authorizing the complainant or any other person to control the conduct of the action;
- (b) an order giving directions for the conduct of the action;
- (c) an order directing that any amount adjudged payable by a defendant in the action shall be paid, in whole or in part, directly to former and present security holders of the company or its subsidiary instead of to the company or its subsidiary;
- (d) an order requiring the company or its subsidiary to pay reasonable legal fees incurred by the complainant in connection with the action.

5 (1) A complainant may apply to the court for an order under this Section.

(2) If, upon an application under subsection (1) of this Section, the court is satisfied that in respect of a company or any of its affiliates

- (a) any act or omission of the company or any of its affiliates effects a result;
- (b) the business or affairs of the company or any of its affiliates are or have been carried on or conducted in a manner; or
- (c) the powers of the directors of the company or any of its affiliates are or have been exercised in a manner,

that it is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, the court may make an order to rectify the matters complained of.

(3) In connection with an application under this Section, the court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing,

- (a) an order restraining the conduct complained of;
- (b) an order appointing a receiver or receiver-manager;
- (c) an order to regulate a company's affairs by amending the memorandum or articles;
- (d) an order directing an issue or exchange of securities;
- (e) an order appointing directors in place of or in addition to all or any of the directors then in office;
- (f) an order directing a company, subject to subsection (5) of this Section, or any other person, to purchase securities of a security holder;
- (g) an order directing a company, subject to subsection (5) of this Section, or any other person, to pay a security holder any part of the moneys paid by him for securities;
- (h) an order varying or setting aside a transaction or contract to which a company is a party and compensating the company or any other party to the transaction or contract;
- (i) an order requiring a company, within a time specified by the court, to produce to the court or an interested person financial statements in the form required under the Act or an accounting in such other form as the court may determine;
- (j) an order compensating an aggrieved person;
- (k) an order directing rectification of the registers or other records of a company required under the Act;
- (l) an order liquidating and dissolving the company;
- (m) an order directing an investigation pursuant to Section 116 of the Act;
- (n) an order requiring the trial of any issue.

(4) If an order made under this Section directs amendment of the memorandum or articles of a company, no other amendment to the memorandum or articles shall be made without the consent of the court, until a court otherwise orders.

(5) A company shall not make a payment to a shareholder under clause (f) or (g) of subsection (3) of this Section if there are reasonable grounds for believing that

- (a) a company is or would after that payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities.

6 If a company or any director, officer, employee, agent, auditor, trustee, receiver, receiver-manager or liquidator of a company does not comply with the Act, the memorandum or articles, a complainant may, in addition to any other right he has, apply to the court for an order directing any such person to comply with, or restraining any such person from acting in breach of, any provisions thereof, and upon such application the court may so order and make any further order it thinks fit.

7 (1) An application made or an action brought or intervened in under Section 4, 5 or 6 hereof shall not be stayed or dismissed by reason only that it is shown that an alleged breach of a right or duty owed to the company or its subsidiary has been or may be approved by the shareholders of such body corporate, but evidence of approval by the share-

holders may be taken into account by the court in making an order under Section 4 or 5 hereof.

(2) An application made or an action brought or intervened in under Section 4, 5 or 6 hereof shall not be stayed, discontinued, settled or dismissed for want of prosecution without the approval of the court given upon such terms as the court thinks fit and, if the court determines that the interests of any complainant may be substantially affected by such stay, discontinuance, settlement or dismissal, the court may order any party to the application or action to give notice to the complainant.

(3) A complainant is not required to give security for costs in any application made or action brought or intervened in under Section 4, 5 or 6 hereof.

(4) In an application made or an action brought or intervened in under Section 4, 5 or 6 hereof, the court may at any time order the company or its subsidiary to pay to the complainant interim costs, including legal fees and disbursements, but the complainant may be held accountable for such interim costs upon final disposition of the application or action.

(5) For the purposes of Sections 4, 5, 6 and this Section

(a) “action” means an action under the Act;

(b) “complainant” means

(i) a registered holder or beneficial owner, and a former registered holder or beneficial owner, of a security of a company or any of its affiliates,

(ii) a director or an officer or a former director or officer of a company or of any of its affiliates,

(iia) a creditor of a company or any of its affiliates,

(iii) the Registrar, or

(iv) any other person who, in the discretion of the court, is a proper person to make an application under this Section.

8 Notwithstanding anything in the memorandum or articles of a company, the directors of a company shall, on the requisition of the holders of not less than five per cent of the shares of the company carrying the right to vote at the meeting sought to be held, forthwith proceed to convene a special general meeting of the company.

9 (1) A director or a shareholder entitled to vote at an annual meeting of shareholders may

(a) submit to the company notice of any matter, hereinafter referred to as a “proposal”, that he proposes to raise at the meeting, including without limiting the generality of the foregoing, a proposal to amend or repeal any provision of the memorandum or articles; and

(b) discuss at the meeting any matter in respect of which he would have been entitled to submit a proposal.

(2) The company shall set out the proposal in the management proxy circular or notice of the meeting.

(3) If so requested by the shareholders, the company shall include in the management proxy circular or notice of the meeting a statement by the shareholder of not more than two hundred words in support of the proposal, and the name and address of the shareholder.

(4) A proposal may include nomination for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than five per cent of the shares or five per cent of the shares of a class of shares of the company entitled to vote at the meeting to which the proposal is to be presented, but this subsection does not preclude nomination made at a meeting of shareholders.

(5) A company is not required to comply with subsections (2) and (3) of this Section if

(a) the proposal is not submitted to the company at least ninety days before the anniversary date of the previous annual meeting of shareholders;

(b) it clearly appears that the proposal is submitted by the shareholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the company or its directors, officers or security holders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes;

(c) the company, at the shareholder's request, included a proposal in a management proxy circular or notice of meeting relating to a meeting of shareholders held within two years preceding the receipt of such request, and the shareholder failed to present the proposal, in person or by proxy, at the meeting;

(d) substantially the same proposal was submitted to shareholders in a management proxy circular, notice of meeting or dissident's proxy circular relating to a meeting of shareholders held within two years preceding the receipt of the shareholder's request and the proposal was defeated; or

(e) the rights conferred by this Section are being abused to secure publicity.

(6) No company or person acting on its behalf incurs any liability by reason only of circulating a proposal or statement in compliance with this Section.

(7) If a company refuses to include a proposal pursuant to this Section, the company shall, within ten days after receiving the proposal, notify the shareholder submitting the proposal of its intention and send to him a statement of the reasons for the refusal.

(8) Upon the application of a shareholder claiming to be aggrieved by a company's refusal under subsection (7) of this Section, the court may restrain the holding of the meeting to which the proposal is sought to be presented and make any further order it thinks fit.

(9) The company or any person claiming to be aggrieved by a proposal may apply to the court for an order permitting the company to omit the proposal, and the court, if it is satisfied that subsection (5) of this Section applies, may make such order as it thinks fit.

(10) An applicant under subsection (8) or (9) of this Section shall give the Registrar notice of the application and the Registrar is entitled to appear and be heard in person or by counsel.

10 (1) A company shall keep at its registered office a copy of the financial statements of each of its subsidiary bodies corporate and each body corporate the accounts of which are consolidated in the financial statements of the company.

(2) Shareholders of a company and their agents and legal representatives may upon request therefor examine the statements referred to in subsection (1) of this Section during the usual business hours of the company, and may make extracts therefrom, free of charge.

(3) A company may, within fifteen days of a request to examine under subsection (2) of this Section, apply to the court for an order barring the right of any person to so examine, and the court may, if it is satisfied that such examination would be detrimental to the company or a subsidiary body corporate, bar such right and make any further order it thinks fit.

(4) A company shall give the Registrar and the person asking to examine under subsection (2) of this Section notice of an application under subsection (3) of this Section and the Registrar and such person may appear and be heard in person or by counsel.

11 (1) A company shall maintain a register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities

- (a) the name and the latest known address of each person who is or has been a security holder;
- (b) the number of securities held by each security holder; and
- (c) the date and particulars of the issue and transfer of each security,

but no other information need be recorded.

(2) A company may appoint an agent to maintain a central register and branch registers.

(3) A central register shall be maintained by a company at its registered office or at any other place in Canada designated by the directors, and any branch registers may be kept at any place in or out of Canada designated by the directors.

(4) A branch register shall only contain particulars of securities issued or transferred at that branch.

(5) Particulars of each issue or transfer of a security registered in a branch register shall also be kept in the corresponding central register.

12 (1) Each share of a company carries the right to vote in respect of any matter referred to in clauses (c), (d) and (e) of subsection (1) of Section 2 hereof, whether or not otherwise carrying the right to vote, and unless the memorandum or articles otherwise provide in the case of an amendment referred to in clause (a), (b) or (e) of subsection (2) of Section 2, each class of shares and any series of shares affected by the matter in a manner different from other shares of the same class carry the right to vote separately as a class or series upon any matter referred to in subsections (1) and (2) of Section 2 hereof, whether or not otherwise carrying the right to vote, and any such matter shall be deemed to be adopted by the shareholders when, in addition to any other action required to be taken by shareholders under the Act, approved by the holders of each such class and series by a majority of not less than two thirds of the votes cast with respect thereto.

(2) A company may liquidate and dissolve pursuant to Section 137 of the Act if approved by the holders of each class of shares voting separately as a class, whether or not otherwise carrying the right to vote, by a majority of not less than two thirds of the votes cast with respect thereto.

(3) Notice of a meeting of shareholders of the company, and every document required to be sent to such persons in connection with the meeting, shall be sent to all persons entitled thereto not less than twenty-one days before the date of the meeting.

13 Unless the memorandum or articles of a company otherwise provide, the directors of a company may, and the memorandum is deemed to state that the directors of a company may, without authorization of the shareholders

- (a) borrow money upon the credit of the company;

- (b) issue, reissue, sell or pledge debt obligations of the company;
- (c) give any guarantee which the company is otherwise permitted to give to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the company owned or subsequently acquired, to secure any obligation of the company.

R.S., c. 81, 3rd Sch.; 2007, c. 34, s. 43.
