

## APPENDIX "A"

(See p. 1109)

## COMPANIES ACT

## FURTHER REPORT OF COMMITTEE

Tuesday, November 24, 1964

The Standing Committee on Banking and Commerce to which was referred back the report on the Bill S-22, intituled: "An Act to amend the Companies Act", has in obedience to the order of reference of November 24, 1964, further examined the said bill and now reports the same with the following amendments:

1. Page 1: Strike out lines 23 and 24 and substitute therefor the following:

"(2) Section 3 of the said Act is further amended by adding thereto, immediately after paragraph (i) thereof, the following sub-paragraph:

'(ia) "officer" means president, chairman of the board of directors, vice-president, secretary, assistant secretary, treasurer, assistant treasurer, or any other person designated an officer by by-law or by resolution of the directors;'

(3) Paragraph (n) of section 3 of the said Act is repealed and the following substituted therefor:

'(n) "shareholder" means every subscriber for or holder of a share in the capital stock of the company and includes the personal representatives of a deceased shareholder and every person who agrees with the company to become a shareholder;'

(4) Section 3 of the said Act is further amended by adding thereto the following subsection:"

2. Page 2: Strike out subclause (2) of clause 5 and substitute therefor the following:

"(2)" Subsection (3) of section 5 of the said Act is repealed and the following substituted therefor:

'(3) Nothing in this Part shall be construed to authorize the company to issue any promissory note intended to be circulated as money or as the note of a bank or to engage in the business of banking or insurance.'

(3) Subsection (4) of section 5 of the said Act is repealed and the following substituted therefor:

'(4) Where a company

(a) carries on a business that is not within the scope of the objects set forth in its letters patent or supplementary letters patent,

(b) exercises or professes to exercise any powers that are not truly ancillary or rea-

sonably incidental to the objects set forth in its letters patent or supplementary letters patent,

(c) exercises or professes to exercise any powers expressly excluded by its letters patent or supplementary letters patent, the company is liable to be wound up and dissolved under the Winding-up Act upon the application of the Attorney General of Canada to a court of competent jurisdiction for an order that the company be wound up under that Act, which application may be made upon receipt by the Attorney General of Canada of a certificate of the Secretary of State setting forth his opinion that any of the circumstances described in paragraphs (a) to (c) apply to that company.

(5) In any application to the court under subsection (4) the court shall determine whether the costs of the winding up shall be borne by the company or personally by any or all of the directors of the company who participated or acquiesced in the carrying on of any business or the exercise or the professing of the exercise of any powers as described in subsection (4).'

3. Page 6, line 6: Immediately after "may" insert ", with the consent of such applicants or their authorized representative or agent,".

4. Page 6: Strike out clause 8 and substitute therefor the following:

"8. Sections 9 and 10 of the said Act are repealed and the following substituted therefor:

'9. Notice of the granting of letters patent or supplementary letters patent shall be forthwith given by the Secretary of State by one insertion in the *Canada Gazette*.

10. (1) When the letters patent or supplementary letters patent contain any misnomer, misdescription, clerical error or other defect, the Secretary of State may direct the letters patent or supplementary letters patent to be corrected.

(2) Notice of the correction of the letters patent or supplementary letters patent shall be forthwith given by the Secretary of State in the *Canada Gazette* if the correction made causes them to depart materially from the text of the original notice given pursuant to section 9.'

5. Page 6: Strike out lines 30 to 36, both inclusive, and substitute therefor the following: