

APPENDIX

(See Page 1078.)

COMPANIES ACT

REPORT OF COMMITTEE

Thursday, November 19, 1964

The Standing Committee on Banking and Commerce to which was referred the Bill S-22, intituled: "An Act to amend the Companies Act", has in obedience to the order of reference of May 20, 1964, examined the said bill and now reports the same with the following amendments:

1. Page 1: Clause 3 is amended by adding thereto after sub-clause (2) the following:

"(3) Section 3 of the said Act is further amended by inserting immediately after paragraph (i) thereof the following:

"(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 a resolution of the directors."

(4) Section 3 of the said Act is further amended by deleting from paragraph (n) thereof the following:

' a subscriber to the memorandum of agreement.'

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"(2) Subsection (3) of section 5 of the said Act is repealed and the following substituted therefor: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"(3) Subsection (4) of section 5 of the said Act is repealed and the following substituted therefor: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 reasonably 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 cir-

cumstances 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 knowingly and wilfully were responsible for the noncompliance with the requirements outlined in subsection (4) above."

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

4. Page 6, line 10: Immediately after "patent" insert "or supplementary letters patent".

5. Page 6, line 12: Immediately after "patent" insert "or supplementary letters patent".

6. Page 6, line 15: Immediately after "patent" insert "or supplementary letters patent".

7. Page 6, line 17: Immediately after "patent" insert "or supplementary letters patent".

8. Pages 6 to 8: Strike out clause 10 and substitute therefor the following:

"10. (1) Subsection (1) of section 12 of the said Act is repealed and the following substituted therefor:

"12. (1) The letters patent or supplementary letters patent of a company may provide for shares of more than one class and for any preferred, deferred or other special rights, restrictions, conditions or limitations attaching to any class of shares: Provided that such letters patent or supplementary letters patent shall not provide for shares subject to redemption or purchase for cancellation out of capital unless they are preferred shares having a par value and the price at which such redemption or purchase for cancellation may take place is not more than the par value of the shares plus a premium of not more than twenty per cent of such par value; and provided further that no such redemption or purchase for cancellation shall take place when the company is insolvent or when such redemption or purchase for cancellation would render it insolvent. If any class of shares has attached thereto preferred rights as to dividend, the letters patent or supplementary letters patent may authorize the issuance, from time to time, in one or more series, of the shares of any such class, and may authorize the directors to fix, from time to time before issuance, the designation, special rights, restrictions, conditions or