

It should be specially remembered that Section 98 prohibits the selling of shares below their face or par value by the company (private holders may sell as they wish), unless the Memorandum or Articles give the power to do so.

In most cases, therefore, it is advisable to insert some form of power such as may be deemed necessary.

The most important of the clauses is the objects clause. This is usually paragraphed off into sub-sections, and the following powers are usual in most Memorandums:

First, in the, say, four or five starting sub-sections the actual trade or calling, so elaborated as to include all of the at all likely branches that might be profitably pursued. Then one or more sub-sections for (a) power to purchase other like concerns; (b) power to purchase, lease or hire lands, buildings, plant, stock in trade, etc.; (c) power to amalgamate or sell the concern; (d) power to distribute profits other than as cash dividends; (e) power to borrow or lend monies; (f) power respecting endorsing of instruments, deeds and contracts; (g) power to promote other concerns; (h) power to carry on a contract trade with governments, etc.; (i) power to sell shares at a discount or underwrite shares. Many other provisions may also be inserted, but as this clause has to be advertised (and paid for at a none too small rate) in the British Columbia Gazette, it should not be unnecessarily long. A perusal of this paper will give useful hints as to the best and most usual wording.

The fee payable on filing the Memorandum of Association varies according to the authorized capital, which charges are shown at the end of the book.

The Memorandum, as also the Articles, may be altered by special resolution of the shareholders. This requires two meetings of shareholders held not less than fourteen days or more than one month apart. The notice convening the meeting must contain a copy of the alteration proposed and be posted not less than seven days before the meeting. It requires a vote of two-thirds of shares represented by the persons present at the first meeting, and a simple majority of votes at the confirming meeting.

In certain cases, such as those specified in Section 19, the Court's consent is required. Filing is necessary with the Registrar in all cases (see Sections 18, 19 and 23), and in certain cases advertising the change in the Gazette.

It will therefore be seen that the careful drawing up of the Memorandum so as to avoid future necessity of alteration is most important.