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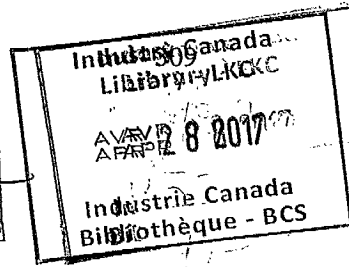
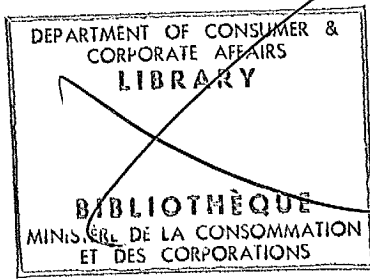


**THE DEPARTMENT'S VIEW:  
STATUTORY FORMALITIES**

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DIGBY VIETS, Q.C.



# The Department's View: Statutory Formalities

*Digby Viets, Q.C.*

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## 1. Abbreviations

"CBCA"	— The <i>Canada Business Corporations Act</i>
"CCA"	— The <i>Canada Corporations Act</i>
"OBCA"	— <i>The Business Corporations Act (Ontario)</i>
"PROPOSALS"	— Proposals For a New Business Corporations Law for Canada written by Messrs. R. W. V. Dickerson, John L. Howard and Leon Getz and published in 1971.
"QCA"	— The <i>Companies Act (Quebec)</i>
"SCPA"	— The <i>Special Corporate Powers Act</i>

Section references are to the CBCA unless otherwise indicated.

## 2. Enquiries Chart

Anyone requiring information is asked to telephone the number below:

INCORPORATION DIVISION CONTROL UNIT: 819 - 997-3247

This Unit will relay to the proper administrative personnel enquiries concerning names and anything involving articles or supplementary letters patent.

ENQUIRIES SECTION: 819 - 997-1142

This Section will either directly answer or relay to the proper administrative personnel all other enquiries, e.g. relating to annual reports, financial returns, applications for exemptions, insider trading reports, etc.

## 3. Introduction

In accordance with paragraph 14 of Volume 1 of the Proposals many of the detailed requirements under the CBCA are to be prescribed by Regulation (for example, see subsections 6(1), 171(1), 174(2), 179(1) and 185(4) (forms); paragraph 12(1)(a) (names); subsections 122(1), (2) and (4) (insider trading); subsection 144(1) (proxies); subsection 149(1) (financial statements); subsection 168(1) (share transfer constraints); subsection 191(1), section 193, subsections 194(1) and 194(3) (take-overs) and subsection 254(1) (general power to regulate)). Under subsection 254(2) proposed regulations must be published at least 60 days before their effective date. The proposed regulations (the "CBCA Regulations") were published in the July 12, 1975 edition of *The Canada Gazette*.

This paper sets out the reasons for the draftsmanship of the forms and instructions thereto, provides examples of completed forms, forms of

special resolutions, agreements, statutory declarations and share conditions that may be acceptable to the Department.

The paper is prepared in the form of a procedures manual. It includes considerations leading up to the submission of Articles. Where forms are drafted by applicants in accordance with rules laid down in the Regulations and no form is published, examples of such material are provided.

At the time of writing, officers of the Corporations Branch are drafting procedures and conducting exercises on examining and processing applications. It must be understood that this paper is an attempt to foresee as accurately as possible the procedures that will be followed by the Department based on staff experience in the initial administration of the CBCA. It should be useful in preparing applications at the outset.

No attempt will be made to summarize the CBCA or highlight its reforms; this has been done under discrete topics in other papers presented in this series. The method of incorporating, amending Articles, continuing companies, terminating corporate existence and making other fundamental changes under the CBCA will be outlined. Practices under the CCA and QCA are so dissimilar from those under the CBCA that comparisons will not be particularly useful. Under the CCA and QCA one applies for the favourable exercise of ministerial discretion to incorporate or amend a charter. If the application is granted (as it usually is), the document is produced by the Department following the form of application. Under the CBCA incorporation and charter amendment are a matter of right; if the statutory prerequisites have been satisfied, the appropriate implementing document must be filed within 20 days or recourse lies to the courts by subsection 238(1) and paragraph 239(a). Paragraph 255(2)(b) places this obligation upon the Director if he finds that any Articles or statements sent to him "conform to law". The Department views these words as being confined to the law expressed in the CBCA on the basis that the Director could not reasonably be expected to know all the law.

An interesting question arises as to whether or not the Director could file Articles under subparagraph 255(2)(b)(i) and then delay beyond the 20-day time limit the issuance of the appropriate certificate and thereby avoid the applicants' remedy under sections 238 and 239.

While the "discretion-right" difference is of no practical importance, by itself, it does have practical implications for the solicitor. The CBCA is a registration statute modelled along the lines of the OBCA. Consequently, the corporate constitution becomes the product of the private sector draftsman rather than the bureaucracy. The documents submitted to the Director are examined to determine conformance with the CBCA. The Director has limited power to alter the documents submitted (section 257), but the prime responsibility for the corporate constitution rests on the draftsman. The CBCA permits much greater flexibility in molding the

corporate constitution. This paper assumes that the substantive decisions such as whether or not to incorporate or amend the charter have been taken and that only implementation remains. Limited examples of matters for possible consideration are given, for example the examination of by-laws on continuance and the advantages and disadvantages are examined insofar as present experience and consideration permit. Cases are not cited. The purpose of this paper is to familiarize the reader with the procedures and forms for creating, modifying and terminating corporations governed by the CBCA and compliance with the reporting and other provisions of the Act. A number of simple examples of documents discussed have been produced as part of each topic. The elementary nature of the examples would not necessarily permit them to be used as precedents. They are included to acquaint the reader with the forms, to demonstrate the flexibility permitted under the CBCA and to raise some of the preliminary drafting considerations.

The forms which have been prescribed by Regulation pursuant to the authority conferred by various sections of the Act are accompanied by instructions for completion. *It is most important* in completing these forms to read the instructions carefully to avoid errors. Time and experience will determine the latitude of Branch policies for making alterations under section 257. Inevitably some applications will have significant errors requiring return for correction. Particular attention should be paid to the wording of the instructions under the heading "format". This requires conformity with sections 5 to 10 of the Regulations in connection with all of the forms except forms 14 and 15. These six general regulations deal with:

- (1) The quality and size of documents to be sent to the Director. 8½" x 11" white paper is prescribed. The metric equivalent is 21¼ cms x 27½ cms.
- (2) Headings, numbering, paragraphing and punctuation of documents.
- (3) Requiring numbers in documents to be in numerals and not in words and information to be set out in tabular form.
- (4) Rules concerning abbreviations.
- (5) A requirement that if an item in a form does not apply you must insert the phrase "not applicable" or the abbreviation "N/A". If an item of required information has been set out in response to one item in a form, it may be referred to in response to any other item on that form by a cross-reference.
- (6) If the space on a form is insufficient or an agreement or other document is to be incorporated by reference and be part of the

Articles or any other form, an applicant may incorporate the provision, agreement or other document in the form by stating "The annexed Schedule 1 (or as the case may be) is incorporated in this form". A separate schedule is required for each item that is incorporated in a form and must be annexed thereto.

The organization of this paper does not treat the forms in the order they are dealt with in the CBCA or in the Regulations thereto. An attempt has been made to go by the order of importance likely to be attached to them by applicants based on considerations of importance and frequency of use.

I would like to thank Mr. Lorie Waisberg of Goodman & Goodman for permission to draw freely on his paper "Incorporation and Fundamental Changes Under the Canada Business Corporations Act".

#### 4. The Director's Duties and Responsibilities

The Corporations Branch is part of the Bureau of Corporate Affairs which includes the Bankruptcy Branch, the Corporate Research Branch and the Securities Branch. The Corporate Research Branch is considering the proper role, if any, that the Federal Government should play in the securities market which is admittedly well governed at present by the provincial securities commissions. There was strong public pressure and criticism relating to the lack of a federal presence in this field after the Windfall Oil and Gas, Atlantic Acceptance and Prudential incidents.

The Branch must take a balanced view of the interests of incorporators, management, shareholders and creditors. The policy of the Branch is to assist applicants who are coming forward with applications that do not contravene the corporate law or any related law such as that spelled out in the *Investment Companies Act*, the *Railway Companies Act*, the *Trust Companies Act*, the *Loan Companies Act* and the *Insurance Companies Act*. The concurrence of designated Ministers is no longer required in hydrocarbon and commodity pipeline applications. Under the CBCA a wider range of companies may be incorporated than under the CCA. Only the incorporation of financial intermediaries is excluded by the Act.

The following is a breakdown under six headings of details of the Director's statutory responsibilities.

##### (i) *Issue Certificates*

The Director must issue the following:—

- A. Certificate of Incorporation referred to in section 8 of the Act on Form 1.
- B. Certificate of Amendment referred to in sections 13, 27, 172 and 185 of the Act on Form 5.

- C. Restated Certificate of Incorporation referred to in subsection 172(3) on Form 8.
- D. Certificate of Amalgamation referred to in subsection 179(4) on Form 10.
- E. Certificate of Continuance referred to in subsection 181(3) on Form 12.
- F. Certificate of Discontinuance referred to in subsection 182(7) on Form 13.
- G. Certificate of Revival referred to in subsection 202(3) on Form 16.
- H. Certificate of Dissolution referred to in subsection 204(15) on Form 18.
- I. Certificate of Intent to Dissolve referred to in subsection 204(5) on Form 20.
- J. Certificate of Revocation of Intent to Dissolve referred to in subsection 204(11) on Form 21.

(ii) *Consider Exemption Applications*

- A. To determine whether or not securities of a corporation are part of a distribution to the public — subsection 2(8).
- B. To exempt a body corporate continued as a corporation under the Act from the provisions of subsection 10(1) concerning the last word of the corporate name.
- C. To exempt a trust indenture from Part XII of the Act if the trust indenture, the debt obligations issued thereunder and the security interest effected thereby are subject to a law of a province or a country other than Canada that is substantially equivalent to Part XII — subsection 77(3).
- D. To exempt the filing of insider trading reports under subsection 122(8).
- E. To exempt proxy solicitations under subsection 145(1).
- F. To issue an order authorizing a corporation to omit from its financial statements any item prescribed or to dispense with the publication of any particular financial statement prescribed under section 150.
- G. To exempt a corporation from sending copies of financial statements to the Director where a corporation's gross revenues or assets exceed 10 million dollars or 5 million dollars respectively on a consolidated basis under subsection 154(3).



- H. To consider an order to exempt a corporation from having an audit committee under subsection 155(2).

(iii) *Receive Notices and Maintain Records*

- A. Receive notice and maintain record of the corporation's registered office address or any change thereof under section 19.
- B. Take notice of the appointment or discharge of a receiver or receiver-manager under section 96.
- C. Maintain a record of the directors and any changes thereof under sections 101 and 108.
- D. Receive proxy circulars and notices of meetings, forms of proxies and other documents related to corporate meetings under section 114.
- E. Receive information concerning any errors or misstatement in relation to the preparation and issue of revised financial statements under subsection 155(8).
- F. Receive a prospectus, statement of material facts, registration statement, securities exchange take-over bid circular or similar document relating to the public distribution of securities of a corporation under section 186.
- G. Receive take-over bid material including a copy of the take-over bid circular as prescribed in Part VIII of the Regulations pursuant to section 191 of the Act.
- H. Receive a director's circular and comply with the duties prescribed in the Regulations for take-over bids pursuant to section 94 of the Regulations.
- I. Receive notice of a court application relating to the liquidation and dissolution of a corporation under section 209.
- J. Receive annual return on Form 22 referred to in section 256 of the Act.
- K. Receive initial and insider trading reports in Forms 24 and 25 required by subsections 122(1), (2) and (4) of the Act.

(iv) *Act as Inspector*

Act as an inspector appointed by the court in connection with an investigation under section 223.

(v) *Act or Intervene to*

- A. Dissolve a corporation that has not commenced business, that has not carried on its business for 3 consecutive years or is in default

- for 1 year in sending to the Director any fee, notice or document required by the Act. — Subsection 205(1).
- B. Apply to a court for an order dissolving a corporation if it has failed for 2 or more consecutive years to comply with the requirements of the Act with respect to the holding of annual shareholders' meetings, has contravened subsection 16(2), (*re* carrying on business restricted by Articles) or section 21 (denying access to corporate records), section 151 (denying shareholders' right to examine financial statements), subsection 150(3) (failing to send financial statements to shareholders); or that has procured any certificate under the Act by misrepresentation — subsection 206(1).
  - C. Initiate or intervene in applications relating to the impracticability of calling a shareholders' meeting under section 138.
  - D. Apply for a restraining order in connection with proxy material and the holding of meetings under section 148.
  - E. Apply for the appointment of an auditor — section 161.
  - F. Apply for an order for the continuation of a liquidation under the supervision of a court — subsection 204(8).
  - G. Apply *ex parte* or upon such notice as required by the court for an investigation where there has been an intent to defraud, etc. — section 222.
  - H. Bring a derivative action in the name and on behalf of the corporation — section 232.
  - I. Apply to a court in connection with the oppression remedy where an act or omission has been oppressive or unfairly prejudicial to or has unfairly disregarded the interest of any security holder, creditor, director or officer — section 234.
  - J. Apply for directions concerning his duties. — Section 237.
  - K. Appear in an application for an order approving an indemnity — section 219.
  - L. Appear and be heard on an application concerning a corporation's refusal to include a shareholder's proposal in a management proxy circular — section 131.
  - M. Appear on an application for a restraining, correcting or adjourning order — subsection 148(2).
  - N. Appear and be heard on an application by a corporation for an order barring the right of examination of financial statements — subsection 151(4).

- O. Appear and be heard on an application for an order exempting a take-over bid. — Subsection 197(2).
- P. Propose or appear and be heard on a shareholder's proposal for voluntary liquidation and dissolution — subsection 204(9).
- Q. Receive notice of a liquidator's intention to apply to the court for approval of his final accounts and distribution of corporate property within one year of his appointment or for an extension of time for so doing — subsection 216(4).
- R. Appear and be heard on an application to rectify corporate records — subsection 236(2).

(vi) *Miscellaneous*

- A. Alter documents sent to him when so authorized by the person who sent the document — section 257.
- B. Correct any error in a certificate issued by him — section 258.
- C. Furnish any person with a certificate that a corporation has sent to him, a document required to be sent under the Act — subsection 256(2).
- D. Permit any person to examine a document required by the Act or Regulations to be sent to him except an inspector's report sent under subsection 223(2) — subsection 259(1).
- E. Furnish any person with a copy of a document required by the Act or the Regulations to be sent to him except a report under subsection 223(2) — subsection 259(2).
- F. Publish a periodical available to the public summarizing information contained in insider reports and particulars of exemptions from filing such reports. This publication known as the Corporate Bureau Bulletin also contains other information of public interest concerning matters falling under the Act as well as guidelines concerning the administration of the Act.

## 5. Branch Organization

The scope of the Director's responsibilities and duties just outlined indicates the workload that the Branch must bear in view of the fact that the number of personnel in the Branch is 68. The Branch has two Divisions each comprising three Sections.

The Incorporation Division is comprised of the Name Search Section, the Examination Section and the Policy and Procedures Section.

The Compliance Division is comprised of the Disclosure Section, the Investigation Section and the Hearings and Litigation Section. The Dis-

closure Section is further broken down into three groups, the Enforcement Group, the Audit Group and the Information Group.

The public generally has its initial contact with the Incorporation Division and in particular the Name Search Section. This Section maintains the most up-to-date information base of business names in Canada and searches the trade mark register when a proposed corporate name or part of it may, in the judgment of the name search personnel or the Examiner handling the application, raise the possibility of a trade mark conflict. The base is not yet completed to the Branch's required standard. It contains 800,000 names and is updated from the provincial gazettes. The information is coded for automated data processing. Phonetic similarities are taken into consideration during the coding process. This requires great skill, care and judgment. The name search process will eventually be fully automated as mentioned by Mr. Sparling. When a corporate name has been cleared the application file is assigned to an Examiner in the Examination Section.

The Incorporation Division maintains a Control Unit which discloses the status of an application from the time it is received in the Corporations Branch until the required document is mailed or delivered to the applicant or its solicitors. The telephone number of this Unit is recorded at the beginning of this paper with the request that enquiries concerning any incorporation matter whatever be made to this Unit. It will relay the caller direct to the appropriate Branch official. This Unit distributes the workload evenly among the Examiners. We are very proud to say they have reached a high level of competence as those of you who have been dealing with the Department recently will realize.

When the Examiners have a particular problem they will consult one of the four Legal Advisers assigned to the Corporations Branch. The Legal Advisers are also available to discuss new or complex problems with the public. Their duties further include rendering opinions to the Branch management.

The Policy and Procedures Section of the Incorporation Division reviews changing requirements and operating procedures to ensure that the best possible methods and interpretations are applied in administering the Act. Division policies and procedures will be published in the Bulletin and a policy and procedures manual is under preparation. A random example of the format and content of a policy statement is shown as Example 1 on page 355.

The Regulations to the CBCA are quite specific and the current study of proposed procedures takes into account the requirements of both the Act and the Regulations. The Incorporation and Policy and Procedures Manual will have three main parts entitled "Policy Statements", "Clientèle Procedures" and "Internal Operating Procedures". Each of these parts

will deal with the different stages of incorporation: amendment, incorporation and dissolution.

The Manual will clearly set out every function performed in the Incorporation Division with a reason for each function and the personnel by whom the functions are performed. The policy statements section of the manual will set out the policy decision of the Director on the interpretation of the Act and Regulations. The Clientèle Procedures section of the manual will detail the documents necessary for the administration of the matters falling under the Incorporation Division. The best way of communicating the policy statements and clientèle procedures on a continuing basis to business and the professions is presently being considered. Probably periodical consolidations will be made available. The Manual will describe the flow of documents within the Branch. A sample flow chart is shown as Example 2 on page 360. There is no intent to withhold any information of this nature from the public and it is felt that mutual benefits will flow from clear and open disclosure of these matters. The Articles sent to the Director are initially received in the departmental Mail Room where they are date stamped. They are then sent to the Financial Administration Office where the enclosed cheque for fees is deposited and the material forwarded to the Branch File Room where a file is created and a departmental identification number assigned to the file.

As previously mentioned the Control Unit will be aware of the status of the Articles at all times. When the Control Unit receives the Articles they will simultaneously forward the proposed corporate name to the Name Search Section for a search report and assign the Articles to an Examiner to be checked for compliance with the law. Sometimes the name search may have been completed in advance. In any event it is forwarded to the Examiner in charge of the file at the earliest opportunity. The Examiner then approves and reserves the proposed name, suggests an amendment or informs the applicant why it is not available on Form 23. When the name is approved and the Articles conform to law, they are sent to the Deputy Director (Incorporation) for filing and he will issue a Certificate and publish a notice of the issuance of the Certificate in the *Canada Gazette* and the Bulletin. This procedure is also followed, insofar as appropriate, in matters of amendments, amalgamations and dissolutions.

Responsibility for the Compliance Division rests mainly on informing the investing public concerning the affairs of corporations filing material with the Branch. The responsibilities of the Disclosure Section require ensurance that the disclosure documents forwarded to the Branch comply with the Act. For instance, financial statements for distributing companies and companies with annual sales or assets of 10 million or 5 million dollars, respectively, annual returns, notices of change of address of registered office and directors must be examined, insider reports, management

and dissident proxy circulars and take-over bid material must be filed and examined for compliance with the Act.

The Audit Group assesses the standard of information in documents filed to achieve compliance with the Act. For example to ensure the quality and acceptability of financial statements and remuneration of directors and officers. It is interesting to note that the latter statement no longer forms part of the financial statements but is required to be filed with proxy material on the basis that this information is more meaningful to shareholders at the time when they are electing directors than when they are studying financial statements.

The Information Group disseminates information to the general public orally or in writing in response to requests for information. Information is also available in the Corporations Branch where microfiche viewing facilities and paper files are made available for public scrutiny. This Group also supervises the publication of the Bulletin.

The Disclosure Section of the Compliance Division is divided into three groups; the Enforcement Group, the Audit Group and the Information Group. This Section compiles information required to be disclosed by a company and records it in microfiche form. Each microfiche contains the following information on 1,340 federal companies. The total information of all companies, including boards of trade, special Act companies and trade unions in addition to *Canada Corporations Act* companies contains the following: Our file identification number, the company name in both languages, the location of the head office, the company's legal address, the Act under which it was incorporated, the date of incorporation, any pending dissolution, the file numbers of any affiliates, the number of directors with a capacity to show foreign directors separately, whether or not the annual return for the previous two years has been filed, the name of any parent company, whether or not financial statement exemptions have been granted, and the date of the last annual meeting under the CCA. The following additional information will be shown: the number of insiders, the industrial classification code indicating the line of business the corporation is pursuing and whether or not the company has yet applied for continuance under the CBCA or the *Not-for-Profit Corporations Act*, when it becomes effective, the financial information including comparative information for the last two years, the financial year end, the total assets, the gross revenues and after tax earnings, a space for special remarks is reserved to indicate such things as amalgamations and whether or not a company is a disclosing company.

These fiches are COM generated, that is to say they are automatically produced from a computer output to microfiche. The most recent material is keypunched on computer cards. These are fed into a computer and are automatically transferred from the computer to the fiche in microvisual

word form. The fiches are updated monthly and will be updated semi-monthly. The public is provided with the fiche relating to the company or companies of interest and a viewer to obtain the basic information. Should further detail concerning financial statements, annual returns, insider trading reports, etc. be desired, a room is provided for the public to examine the paper files containing the more detailed information.

The Corporate Bureau's monthly Bulletin presently discloses some of this information such as insider trading and financial statements which have been filed during the previous month.

The Investigation Section considers complaints received from many sources, usually investors or creditors, usually alleging some form of corporate irregularity or fraud. The personnel of this Section are accountants and investigators. Powers to conduct a formal investigation under the CCA require an application to the Restrictive Trade Practices Commission. However, under the CBCA the order must be made to the court. An initial informal investigation is carried out internally to assess if the complaint is well founded. If it appears *prima facie* that an offence has been committed, the special powers of investigation are used. The Section enjoys a cooperative relationship with the R.C.M.P. Fraud Squad, the provincial securities commissions and the S.E.C. in Washington.

The Compliance Division is rounded out by the Hearings and Litigations Section which deals with the eight exemptions available under the CBCA, the appropriate section numbers of which are detailed at the head of Form 16. The Section reviews and makes recommendations on applications for exemption from insider reporting and proxy solicitation disclosure. It is also responsible for reviewing applications to the courts by private companies for exemption from financial reporting and recommending whether or not the Minister should oppose. Under the CBCA the duties of this Section will change significantly to include the matters already referred to as well as to advise the Director in the areas where he will have many powers to commence or intervene in court proceedings hereafter mentioned.

The Branch will receive enquiries from the Department's regional offices situated in Halifax, Montreal, Toronto, Winnipeg and Vancouver. Where the Department receives a direct telephone enquiry or request and it is necessary to obtain information and return the call, the Branch enjoys the use of the Federal Government direct line facilities thereby reducing the costs to the public particularly where a lengthy and complex matter must be discussed.

This paper was prepared on October 6, 1975. We have been kindly permitted to re-edit our papers before printing. Accordingly, it should be mentioned that on November 7, 1975 the Compliance Division's organization was changed as follows:

- (a) The section previously known as "Hearings and Litigation Section" is now known as the "Exemption Section" to reflect a change in the functions assigned to that section.
- (b) The section previously known as the "Investigation Section" is now known as the "Litigation and Investigation Section". The change being necessitated by the fact that this section is now responsible for all matters relating to Court proceedings in addition to its investigation workload.
- (c) The Audit Group and Enforcement Group have been amalgamated, on a trial basis, as the Surveillance Group.

## 6. Continuance

### (a) *Continuance of CCA Companies*

The organization of this paper proceeds on a basis of practical priorities rather than in the order of the Act and Regulations. Continuance of CCA companies is of prime consideration because their existence hinges on compulsory continuation (subsection 261(3)). Failure to continue after 5 years results in automatic dissolution (subsection 261(8)). An administrative revival procedure has been provided (section 202).

The CBCA applies only to bodies corporate incorporated and not discontinued thereunder (subsection 3(1)). For a company incorporated under the CCA to obtain the benefits of the CBCA, it must first be continued as a CBCA corporation.

Subsection 261(1) enables shareholders, by special resolution, to authorize the directors to apply for a Certificate of Continuance. A special resolution is defined as one passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of the resolution or signed by all the shareholders entitled to vote on the resolution. The Department presently takes the view that the continuance of a CCA company will be initiated by a shareholders' special resolution. Some interpret section 261 as authorizing the directors to continue the company on their own initiative if the shareholders do not act or are unable to obtain the necessary two-third vote. This interpretation is suggested by the fact that the shareholders' authority is subject to subsection 261(3), that the wording of subsection 261(1) is permissive only whereas subsection 261(3) mandatorily requires continuance. A body corporate normally acts through its board of directors in conducting its business. Although the CBCA has built into it many provisions strengthening and even replacing the shareholders as those entitled to manage the corporation's business and affairs (notably subsection 140(2) dealing with unanimous shareholders' agreements) these aspects are not relevant at the continuance stage.

The first step is the preparation of a special resolution authorizing the directors to apply for a Certificate of Continuance under section 181 (sub-



section 261(1)). See Example 3 on page 363. This special resolution may make an amendment to the company's charter that a CBCA corporation could make to its Articles (paragraph 261(1)(b)). A shareholder is not entitled to dissent under section 184 in respect of an amendment made at this time (subsection 261(2)). The part of the resolution authorizing an application for continuance should pose no problem. The balance of the resolution, however, dealing with the manner in which the charter may have to be altered to conform with the CBCA and to take advantage of the CBCA flexibility will require thoughtful drafting. Section 261 does not specify whether or not all shareholders are entitled to vote on the special resolution. However, the definition of a special resolution includes a resolution signed by "all the shareholders *entitled to vote on that resolution*". In addition subsection 261(2) denies a shareholder's right to dissent on continuation even though amendments may be made in the same resolution that authorizes continuation. It must be assumed that the continuation is being made under the provisions of the CBCA even though the company is subject to the CCA at the time the action is taken. It is interesting to note that section 51 of the CCA entitles a class of shareholders to vote if they are affected by a proposed amendment. The following matters might be considered in recasting the charter:

- name: assuming most companies will wish to continue under their existing names, they will be able to do so under the protection of subsection 12(3).
- unnecessary provisions: certain provisions can be eliminated as they are now specifically permitted by the CBCA. The following are examples of such redundancies. The right to pay a commission (section 39), the right of the shareholders to remove a director from office before the expiry date of his term (section 104), the right to issue bearer warrants (subsection 29(1)) (note that bearer certificates are prohibited by subsection 24(1)) and the right to elect directors for a term of 3 years (subsection 101(3)). Directors no longer require qualifying shares (subsection 100(2)). Paragraph 99(1)(a) provides that after issue of the Certificate of Incorporation a meeting of the directors of the corporation shall be held at which the directors may make by-laws. Accordingly, there is no obligation to consider by-laws at such first meeting following continuance but it would certainly be wise to do so. It is interesting to note that paragraph 181(4)(b) deems Articles of Continuance to be Articles of Incorporation but makes no similar reference to by-laws.
- capital structure: Many of the reforms implemented by the CBCA relate to shares and capital structure. Shares may have virtually

any attributes and can be designated in any way. The maximum number of shares of any class need not be limited (paragraph 6(1)(c) and subsection 37(5)). The concept of a required authorized capital has been abolished and distributing corporations might well wish to eliminate any limit on the number of shares of a class that can be issued. Corporations generally may wish to create numerous and varied classes and series of shares to avoid future amendments that could trigger a dissenting shareholder's rights. These could be held in abeyance to be issued as needed or never issued at all. A further incentive in this regard is that no fee is payable on continuance. Par value shares are no longer permitted (subsection 24(1)). Subsection 24(2) provides that on continuation a share with par value is deemed to be a share without par value. In his paper entitled "Corporate Finance", Dr. Dickerson stated: "A body corporate which has outstanding par value shares at the time it is continued as a corporation under section 181 or 261 need not formally convert those shares into shares without par value and issue revised share certificates (although it may do so). Subsection 24(2), in effect, converts the earlier issued shares by expunging their par value nomenclature". Existing share conditions will have to be closely examined to avoid confusion where such matters as dividend rights, redemption premiums and rights on liquidation are calculated on reference to par value. If more than one class of shares exists, the attributes of each class must be set forth (paragraph 6(1)(c) and subsection 24(3)). The Articles must provide for at least one class of shares, the holders of which are entitled to vote and to receive the remaining property of the corporation upon a dissolution (subsection 24(4)). The departmental view is that the Articles of Continuance must specify these attributes when more than one class of shares is being created. The subjects of change and flexibility in corporate finance may be discussed in detail in the workshops on the organization of corporations under the new Act immediately following this paper. Problems and solutions will have to be anticipated before the resolution for continuation is drafted.

- number of directors: A fixed number of directors is no longer required. Section 107 permits the provision of a maximum and minimum number of directors abolishing the CCA requirement for setting a fixed number of directors. Special attention should be paid to section 102 which requires the Articles to fix a number and not a minimum and maximum number of directors where cumulative voting is provided.

— objects: Since objects clauses in the charter of a CBCA corporation are no longer required, their deletion should be considered. However, whether or not the business and powers of the corporation should be restricted in accordance with paragraph 6(1)(f), subsections 15(1) and 16(2) will have to be considered. It may well be that the controlling shareholder or shareholders of a company that has operated successfully for some years in a limited line of business, would not wish to be vulnerable to the possibility of a proliferation of their business into lines which might require different expertise, drain capital and prove unprofitable. Furthermore, a company might not want to provide a possibility of disturbing a situation where it in effect had been carrying on business as a corporate partnership or joint venture. When the resolution is drawn and passed by two-thirds of the shareholders or signed by all the shareholders, the preparation of the Articles of Continuance should be reasonably simple (see Example 4 on page 364). The Articles must be dated and signed by a director or officer and then delivered in duplicate to the Director together with a Notice of Registered Office (see Example 5 on page 370) and a Notice of Directors (see Example 6 on page 372) (subsection 181(2)). On receipt of the Articles of Continuance, the Director will endorse on each duplicate the word “filed” and the date of filing. A Certificate of Continuance will then be issued in duplicate with an original of the Articles of Continuance attached to each duplicate. One copy of the Certificate is filed and the other sent to the corporation and the appropriate notice is then published in the *Canada Gazette* and the Bureau of Corporate Affairs “Bulletin”. The foregoing procedure for issuing a Certificate applies to the issuance of all certificates by the Director (section 255).

On the date shown on the Certificate of Continuance, the company becomes a corporation to which the CBCA applies as if it was incorporated under the CBCA, the Articles of Continuance are deemed to be the Certificate of Incorporation of the continued company (subsection 181(4)). The continuance does not affect the assets, liabilities or obligations of the continued company (subsection 181(6)). No shareholder of the continuing company may be deprived of a right or relieved of a liability on continuance (section 181(7)). The Corporations Branch is currently considering the degree of its responsibility to assure compliance in this regard. The practical problem confronting the Branch is whether or not the provisions of the Letters Patent and Supplementary Letters Patent must be compared for conformity with the provisions of the Articles of Continuance. An equal responsibility must be shared by the draftsman of the Articles who will be

more familiar with the existing provisions of his client's charter. (See Examples 7a and 7b on pages 374 and 375 for share conditions that should be considered as conforming to law by the Director.)

(b) *Continuance — Import and Export*

The provisions of subsection 181(1) dealing with the import of a body corporate incorporated otherwise than under an Act of Parliament and of section 182 dealing with the export of a CBCA corporation to another jurisdiction are both predicated on the fact that the laws of the jurisdiction where the body corporate is incorporated permit import under the CBCA and that the laws of the jurisdiction to which the corporation may wish to export contain a similar authority. The QCA is one of the provinces that currently does not contain provisions similar to sections 181 and 182 and because of this lack of reciprocation a Quebec company cannot take advantage of the import provisions of the CBCA. Several of the provinces that do not contain similar provisions are planning amending their company legislation to provide reciprocal provisions. A revision of the QCA is under consideration but it is not known at this time if a similar provision will be included. The most common reason for wishing to import or export would be to amalgamate with a non-CBCA body corporate. A CBCA corporation will be able to be exported to the jurisdiction of the other parties to the amalgamation or the non-CBCA body corporate may become a CBCA corporation for the same purpose. In either case, the amalgamating bodies corporate will be governed by a common statute. The advantages of becoming a CBCA corporation will be detailed under the heading "Incorporation".

(i) *Import*

The continuance of a non-CCA body corporate is different from the continuance of a CCA company only in the degree of formality required. A non-federal body corporate, if authorized by the laws of the jurisdiction where it is incorporated, may apply to the Director for a Certificate of Continuance (subsection 181(1)). Articles of Continuance must be filed with the Director together with Notice of Registered Office and Notice of Directors. Upon receipt of Articles of Continuance the Director will issue a Certificate of Continuance in accordance with section 255 and on the date shown on the Certificate the body corporate becomes a corporation to which the CBCA applies, the Articles of Continuance are deemed to be the Articles of Incorporation and the Certificate of Continuance is deemed to be the Certificate of Incorporation (subsection 181(4)). The assets, rights, obligations and liabilities, including existing causes of action or liability to prosecution, of a continued corporation, are not affected by the continuation (subsection 181(6)).

(ii) *Export*

For a CBCA corporation to be continued under the laws of another jurisdiction the following requirements must be met:

- (1) The corporation must establish to the satisfaction of the Director that its proposed continuance will not adversely affect creditors or shareholders of the corporation (subsection 182(1)). To satisfy the Director that a continuance will not adversely affect creditors should not present the same difficulties as determining the effect on shareholders. For example, under section 198 of the OBCA, any liability of a CBCA corporation continued under the OBCA would not be impaired. The QCA does not have an equivalent creditor protection. The Branch is presently considering the requirements for establishing to the satisfaction of the Director that the proposed continuation in another jurisdiction will not adversely affect creditors or shareholders. The question of whether or not the continuation could be said to adversely affect shareholders poses a more difficult problem. Although one could hardly imagine two more compatible Acts than the OBCA and the CBCA, there are differences. For example the CBCA provides a shareholders' right of dissent where major amendments are in contemplation for all corporations. The OBCA does not provide a right of dissent for the shareholders of distributing corporations on the basis that a dissenting shareholder will be able to receive the fair value for his shares by selling on the open market. The draftsman of the CBCA decided against this approach. For a variety of reasons market price does not necessarily reflect the fair value of a share. In this connection see the recent case *Re Wall & Redekop Corp.* (1975), 50 DLR (3d) 733 (B.C.S.C.) confirming that "fair value" is not necessarily synonymous with market value and that the court has a responsibility to consider the appropriate evaluation when an appraisal remedy is exercised. The language of the British Columbia Act and the CBCA is sufficiently similar that this conclusion would appear to be relevant to interpretation of the CBCA. If it could be said that a transfer to Ontario adversely affects shareholders, the export provisions of the CBCA would be rendered nugatory. If a CBCA corporation cannot be exported to Ontario an OBCA corporation could not be exported to the CBCA since under subsection 199(3) of the OBCA the export provisions apply only to jurisdictions that permit their corporations to apply for continuance in Ontario. The Department is considering the possibility of accepting a statutory declaration from an applicant's counsel to the effect that the pro-

posed export will not adversely affect a corporation's creditors or shareholders.

- (2) A corporation may not be continued under the laws of another jurisdiction unless those laws provide in effect that the property, obligations and liabilities in their widest sense are unaffected (subsection 182(9)). If the importing jurisdiction has continuation provisions similar to those of the CBCA and the OBCA, this prohibition should not cause difficulty.
- (3) A corporation to which the *Investment Companies Act* applies shall not apply for continuance in another jurisdiction without the prior consent of the Minister of Finance (subsection 182(2)). This would seem to indicate that the consent must be obtained even before the application for continuance is made. The Corporations Branch is currently working out mutually satisfactory procedures with the officials of the Department of Insurance who administer the *Investment Companies Act*.
- (4) Continuance under the laws of another jurisdiction gives rise to a shareholder's right to dissent and be paid the fair value of his shares (section 184). Notice of a proposal to export must be given to shareholders and the notice must state that a dissenting shareholder is entitled to be paid the fair value of his shares in accordance with section 184 (subsection 182(3)).
- (5) The application becomes authorized when the shareholders voting thereon have approved of the continuance by a special resolution (subsection 182(5)). As in all other fundamental changes, each share of the corporation carries the right to vote in respect of a continuance whether or not it otherwise carries the right to vote (subsection 182(4)).

When the foregoing conditions have been satisfied, the corporation may apply to the appropriate official of the importing jurisdiction requesting that it be continued as if it had been incorporated under the laws of that other jurisdiction (subsection 182(1)). Upon receipt of notice satisfactory to him that the corporation has been continued under the laws of the other jurisdiction, the Director shall file the notice and issue a Certificate of Discontinuance in accordance with section 255. The form of notice satisfactory to the Director is presently under consideration. It would appear that the notice could emanate from the exporting corporation. However, it may be that notice from an official of the importing jurisdiction will be necessary. A problem is also under study in the Branch concerning the possibility of an overlapping period during which the corporation may exist under the CBCA and under the laws of the importing jurisdiction. Methods are being considered for the simultaneous exchange of the notice

of continuance and the Certificate of Discontinuance to avoid this problem. The possibility of adjusting the date of the Certificate to coincide with the date of the continuance document also exists. The CBCA ceases to apply to the corporation on the date shown in the Certificate of Discontinuance (subsection 182(8)).

In the event of an overlapping period the Department would undoubtedly take the view that a corporation continues to be subject to the CBCA until the issue of the Certificate of Discontinuance. It is possible that the legislation of some foreign jurisdiction may provide for the import of bodies corporate from any other jurisdiction without notice to that other jurisdiction and without regard to the laws of that other jurisdiction. If such a bizarre situation existed, it would be possible for a corporation to be continued in another jurisdiction, insofar as that other jurisdiction was concerned, without the Branch being aware of the situation.

## **7. Incorporation**

When the CBCA becomes effective, federal business corporations may only be incorporated under the CBCA (section 262).

Why would an applicant choose to incorporate under the CBCA when the less stringent provisions of the QCA are available? The CBCA has gone farther than any provincial legislation in the standard and detail of its reporting requirements, particularly in relation to financial reporting. It is hoped that other Canadian jurisdictions will follow the federal lead in seeking conformity with the CBCA reporting requirements. The CBCA is an Act conceived with the intent of providing great flexibility and shareholder protection as well as offering adequate financial information for shareholders, creditors, investors and others. It is expected to appeal to the closely-held corporation but the management of large distributing corporations may look with disfavour on the rights of a shareholder to dissent and be paid the fair value of his shares when a fundamental change is contemplated. In addition to the stringent financial reporting and dissenting shareholder rights, some companies may view the majority Canadian director requirement of subsection 100(3) with disfavour.

However, consider the following partial list of advantages:

- (1) The extreme flexibility of the affairs of the corporation.
- (2) The ability to consolidate its articles and amended articles in one concise document (section 174).
- (3) The right to carry on business throughout Canada upon compliance with non-discriminatory provincial and local laws (section 4).
- (4) The availability of corporate records to shareholders and creditors (section 21).

- (5) The possibility of incorporating a one-man corporation (subsection 5(1)).
- (6) The possibility for one or more bodies corporate to incorporate a corporation (subsection 5(2)).
- (7) The greatly enlarged authority to make loans particularly to employees (section 42).
- (8) The opportunity for Canadian participation in management (subsection 100(3)).
- (9) The tariff of fees on incorporation has been fixed at a flat rate of \$200 so that corporations wishing a large capitalization will not be penalized.
- (10) The shareholder's right to dissent and be paid the appraised value of his shares in the event of a fundamental change (section 184).
- (11) The oppression remedy providing easy access to the courts when a complainant feels that an act or omission of the corporation or its directors is oppressive or unfairly prejudicial or unduly disregards the interests of any security holder, creditor, director or officer (section 234).
- (12) The concept that a share certificate being a negotiable instrument opens the possibility of succession duty benefits as the situs of the Certificate may be relevant and can be easily arranged by a shareholder (subsection 44(3)).
- (13) The mobility of the registered office throughout Canada (subsection 19(1)).
- (14) Great flexibility in setting up authorized capital which may be unlimited if desired (subsection 6(1)).
- (15) The abolition of objects clauses and the right to restrict the business of a corporation if so desired plus the codification of the common law that a corporation has the capacity and, subject to the Act, the rights, powers and privileges of a natural person (subsections 6(1) and 15(1)).
- (16) The possibility for directors to hold meetings by telephone (subsection 109(9)).
- (17) The provision permitting a resolution in writing, signed by all directors entitled to vote, to be as valid as if it had been passed at a meeting (section 112).
- (18) The trans-jurisdictional provisions enabling bodies corporate to be continued under the CBCA or corporations to be continued under the laws of other jurisdictions (sections 181 and 182).



- (19) The rights of shareholders to enter into a unanimous shareholders' agreement taking over some or all of the powers of the directors to manage the business and affairs of the corporation (subsections 140(2) and (4)).
- (20) The right of two or more shareholders to enter into an agreement providing for the manner of voting shares—subsection 140(1).
- (21) The right of a corporation to purchase, redeem or otherwise acquire its own shares—(subsections 32(1), 33(1) and 34(1)).

Incorporation will be achieved by delivering Articles of Incorporation in duplicate to the Director with a Notice of Registered Office and a Notice of Directors and a cheque payable to the Receiver General of Canada in the amount of \$200 regardless of the share capital. On receipt of the Articles, the Director must issue a Certificate of Incorporation (section 8). If the Director refuses to file Articles an aggrieved person may apply to a court (sections 238 and 239). The corporation comes into existence on the date shown on the Certificate of Incorporation (section 9). Preparation of the Articles of Incorporation for a simple corporation is reasonably straightforward (see Example 8 on page 377). The Articles must set out the name, the place where the registered office is to be situated, the capital structure and attributes of each class of shares, share transfer restrictions if any, the fixed number of directors or maximum and minimum number (where no cumulative voting is provided under subsection 102 and any restrictions on the business the corporation may carry on (subsection 6(1))). The Department is continuing to shorten the time interval for clearing a desired corporate name despite an expanded name base. It is preferable to pre-clear a name immediately after receiving initial instructions from clients. The Enquiries Chart at the beginning of this paper will indicate the telephone number to be called in urgent cases. A telegram or telex will also save delays. Written name requests should be made by completing Form 23 (see Example 9 on page 380). In its name reporting letters the Branch has recently been cautioning applicants that the use of any name granted is subject to any laws of the jurisdiction where the company carries on business. An amendment will be made to Form 23 by adding this caution as well as the standard caution that has been in use for many years. Quebec practitioners will be particularly aware of the significance of this in view of the provisions of the Quebec *Official Language Act*. The Corporations Branch Name Section will search its index containing approximately 800,000 business names as well as the Department's trade mark index, where applicable, to determine if the name is acceptable. It should be stressed again that the job of the applicant and of the administrators of the Act will be greatly simplified and pressure relieved if a name can be submitted for clearance in advance of submitting the Articles. In urgent

cases where a client will not be dealing with the public, the use of a number name in accordance with subsection 11(2) will be useful. The CBCA and Regulations have attempted to clarify the rules governing the availability of a proposed name. Some of the more salient features are as follows:

- (1) The last word of the name may now include "LIMITED", "LIMITÉE", "INCORPORATED", "INCORPORÉE" or "CORPORATION" or the abbreviation "LTD", "LTÉE", "INC." or "CORP." (subsection 10(1)).
- (2) The name shall not be prohibited or deceptively mis-descriptive as prescribed by Part II of the Regulations to the Act nor the name reserved for another corporation under section II (subsection 12(1)). Mr. Sparling's paper on names has dealt fully with this topic and further specific references will be limited. The underlying principle behind the Regulations is that names should not be confusingly similar. An effort has been made to equate the law relating to corporate names and trade marks. Regulations 12 and 13 introduce an element which requires the consideration of what constitutes "one business". This aspect of section 13(a) may modify the present body of law concerning names which are so similar as to be calculated, (likely), to deceive. Sections 12 and 19 of the Regulations deal with the distinctiveness of a name and the possibility of a name having acquired secondary meaning.

The Department has been working on an automated name search system and has already devised a computer program which produces searches only marginally below the accuracy of manual searches. Consideration is also being given to supplying the public with a computer originated microfiche listing of all trade names in the Branch's records. Prospective incorporators could benefit from the time-saving element of such a system by being able to eliminate in advance a proposed name that is identical with a name already in use. Unfortunately, the element of human judgment will always play a part in deciding the possibility of confusion in borderline cases.

The following comments correspond to the paragraphs of Form 1 under the CBCA Regulations (see Example 8 on page 377).

- (1) The name that has been cleared and reserved will be inserted in Item 1.
- (2) The place in Canada where the registered office is to be situated will be inserted in Item 2. "Place" refers to a distinct location such as a municipality. The street address need not be given and a post office box number may not be given.

- (3) Item 3 requires a description of the share capital. Paragraph 6(1)(c) and subsection 37(5) make it clear that a company may choose to authorize a finite or infinite number of shares of one of more classes. Unfortunately, the French version of paragraph 6(1)(c) uses the words “. . . et le nombre maximal d'actions . . .” whereas the English version of the section uses the words “. . . and any maximum number of shares . . .” The intent is expressed in the English version as verified by the wording of subsection 37(5). As the incorporation fee is now \$200 regardless of the number of shares, you may wish to consider authorizing unlimited numbers of shares to avoid having to apply for Articles of Amendment to increase the number later. If there will be two or more classes of shares the attributes of each class must be set out (paragraph 6(1)(c) and subsection 24(3)). The Articles must provide for at least one class of shares, the holders of which are entitled to vote and to receive the remaining property on dissolution. This provision should be included even if more than one class of shares is authorized (subsection 24(4)). Great flexibility is permissible in devising the share structure. The designation of classes and series of shares is open to the applicants. Upon incorporation (or continuation) you may wish to provide for a great number of classes and series with a variety of attributes. This will enable the corporation to issue “ready-made” shares without having to apply for Articles of Amendment with the consequent additional delay and cost and also eliminate the possibility of triggering the dissenting shareholders' right. Only that class or classes of shares immediately required need be issued at the outset, the balance being held in abeyance indefinitely if necessary.
- (4) Any share transfer restrictions must be inserted in Item 4. If there are no such restrictions the item should be completed by inserting “not applicable” or “N/A” in accordance with subsection 9(1) of the Regulations which, as mentioned above, requires a response to all items. If the corporation's securities are not to be offered to the public, the “private company” criteria should probably be contained in the Articles so that the “private company” exemptions in securities legislation will be available.
- (5) The number of the maximum and minimum number of directors must be inserted in Item 5. The flexibility of a variable board would normally be preferred. This may be particularly useful because of the provisions of subsection 100(3) requiring the majority of the directors to be “resident Canadians” (defined in section 2 of the CBCA and further defined in section 12 of the

Regulations). It should be noted that the provisions of subsection 106(1) will limit to some extent the flexibility of a variable board. In addition section 102 requires a fixed board when cumulative voting is provided for.

- (6) Restrictions, if any, on the business which the corporation may carry on will be inserted in Item 6. The CBCA has abandoned the requirement for object clauses. The effort of drafting object clauses to provide unlimited corporate power and capacity has been eliminated. A CBCA corporation has the capacity of a natural person (section 15), but, it may not carry on any business or exercise any power that it is restricted by its Articles from carrying on or exercising (subsection 16(2)). In some cases, business restrictions may be desirable where a corporation is, in effect, a corporate partnership or joint venture. Care should be taken in drafting restrictions since any change or removal of restrictions will trigger the dissent and appraisal right (paragraph 184(1)(b)). Section 168 provides for the amendment of Articles to constrain the issue or transfer of shares of a distributing corporation in accordance with the Regulations for any purpose. The amendment ceases to have effect 5 years after the date of the resolution is passed unless before such termination a special resolution is passed to extend the constraint provisions for a further period not exceeding 5 years and a certified copy is sent to the Director. Paragraph 171(h) entitles all shareholders to vote on such an amendment and paragraph 184(1)(a) entitles any shareholder to dissent. As paragraph 6(1)(d) provides for the restriction on the transfer of shares to be inserted in the Articles of Incorporation, the use of this section would appear to avoid the 5-year limitation and right of dissent.
- (7) Item 7 will contain any other provisions to be included in the Articles. The Articles may set out any provision permitted by the CBCA or by law to be set out in the by-laws or in a unanimous shareholders' agreement (subsections 6(2) and 140(2)). A unanimous shareholders' agreement is confined solely to enabling shareholders to restrict in whole or in part the powers of the directors to manage the business and affairs of the corporation and to substitute shareholders to manage the business and affairs of the corporation to the extent that the directors have been restricted. "Affairs" is defined in subsection 2(1) as involving the internal relationships among a corporation, its affiliates, shareholders, directors and officers but does not include the business carried on. "Business" is not defined in the Act but refers to the external dealings of a corporation. The departmen-

tal view is that a unanimous shareholders' agreement is solely for this purpose. It has been postulated that the use of the words "an otherwise lawful written agreement" and the words "that restricts in whole or in part" in subsection 140(2), would enable anything that could be the subject matter of a shareholders' agreement to be included. It remains to be seen if the Department's view will be tested in the courts. Some examples of specific provisions that should be considered for inclusion in the Articles include the following:

- (a) An increase in the minimum vote required at directors' or shareholders' meetings (subsection 6(3)).
- (b) A provision for pre-emptive rights (subsection 28(1)). Shareholders have no pre-emptive rights unless specified in the Articles. The deletion of a pre-emptive right gives rise to a right of dissent and appraisal (subparagraph 170(1)(c)(iv)).
- (c) A limitation of the right of the corporation to purchase, redeem or otherwise acquire its own shares (subsections 32(1), 33(1) and 34(1)).
- (d) A provision for a lien on a shareholder's shares for a debt of that shareholder to the corporation (subsection 43(2)).
- (e) A director's shareholding qualification (subsection 100(2)).
- (f) Cumulative voting for directors (section 102). CAUTION: In such case the number of directors must be fixed.
- (g) A right for shareholders to fill vacancies in the board of directors (subsection 106(4)).
- (h) A variation of the number of directors to constitute a quorum at a directors' meeting (subsection 109(2)).
- (i) A limitation on the power of directors to appoint officers (section 116).
- (j) A limitation on the right of directors to fix the remuneration of directors, officers and employees (section 120).
- (k) A limitation on the right of any class of shares to vote. If no limitation is expressed each share entitles the holder thereof to one vote (subsection 134(1)).
- (l) A limitation on the directors' borrowing powers (subsection 183(1)).

Of particular concern to Quebec practitioners is section 22 of the Quebec *Special Corporate Powers Act*. It provides that, notwithstanding any existing law, any joint stock company incorporated under an Act of the Legislature of the province of

Quebec or by Letters Patent, or any company so incorporated outside the province, if empowered thereto by its charter or its Letters Patent, may by authentic deed—for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue—hypothecate, mortgage or pledge its property, movable or immovable, present or future, which it may own in the province. It has been usual to see this clause inserted in the Letters Patent of companies incorporated under the CCA that will be doing business in Quebec. Section 63 of the CCA specifies the borrowing powers that are usually inserted in the Letters Patent of a CCA company. The departmental view has been to allow an amendment of the usual wording to accommodate Quebec applicants in relation to section 22 of the *Special Corporate Powers Act*. This accommodation will be continued under the CBCA. It is interesting to note that section 22 of the QSCPA makes no mention of Articles of Incorporation. However, presumably any banker would continue to accept the usual wording of such a borrowing power because of the use of the word “charter” in section 22 of the QSCPA.

- (8) The names, addresses and signatures of the incorporators may be inserted in Item 8. Incorporators may be either one or more individuals 18 or over, of sound mind and not bankrupt, or one or more corporations. If a body corporate is an applicant, the Articles shall be signed by a person authorized by the body corporate. The item for “other provisions” and the flexibility of Part V of the CBCA relating to corporate finance permit great freedom and allow full scope for the imagination, ingenuity and skill of the draftsman.

The executed Articles are forwarded in duplicate to the Director together with a Notice of Directors and a Notice of Registered Office and a cheque payable to the Receiver General of Canada in the amount of \$200. On receipt of the Articles the Certificate of Incorporation is issued in accordance with section 255 (section 8).

The CBCA is a non-discretionary Act. Even though many areas of the Act impose a high degree of discretion on the Director in the first instance, particularly section 255 which entitles him to consider whether or not the articles or a statement sent to him conform to law, the 20-day time limit imposed on him and the quick easy recourse to the court where he fails to act or a party feels aggrieved by his decision render the Act, in essence, non-discretionary. Other areas of the Director's discretion involve the granting of names, the initiation or intervention in court proceedings and the consideration of applications for exemption in eight circumstances.

## 8. Articles of Amendment

Subsection 167(1) provides that a corporation may by special resolution amend its Articles to change its name, change the place in which its registered office is situated, add, change or remove any restrictions on the business of the corporation, change any maximum number of shares the corporation is authorized to issue, create new classes of shares, change the designation and attributes of any shares, change, subdivide or consolidate shares of any class or series, make other alterations of capital and conditions attaching to unissued shares, change the number of directors, change restrictions on the transfer of shares and add, change or remove any other provision permitted by the CBCA to be set out in the Articles.

If authorized by the shareholders in the special resolution effecting any of these amendments, the directors may revoke the resolution before it is acted upon without further approval of the shareholders (subsection 167(2)). This safeguard is provided to enable the directors to terminate a proposed amendment if it appears that a company might be financially inconvenienced or may become insolvent as a result of a substantial dissent by shareholders obliging the company to purchase the dissenter's shares. As this may be a critical matter in many instances of fundamental change, *a special resolution amending articles where a dissent may be anticipated should authorize the directors to revoke the resolution before it is acted upon*. In closely-held corporations where it is known there will be no dissent, it would be advisable not to include this provision because the Branch administrators will require proof before the issue of a Certificate of Amendment that the directors have not invoked their authority to revoke the resolution and this will cause additional work and delays.

A distributing corporation may by special resolution amend its Articles to constrain the issue or transfer of its shares in accordance with Part VII of the Regulations. This provision is necessary to enable a corporation with shares already outstanding to comply with any new law or regulation governing the ownership of its shares, for example regulation of the ownership of shares in a publishing or broadcasting corporation (subsection 168(1)). It is interesting to note that this section and regulations may be redundant in view of the carte blanche given the corporation to add restrictions on the transfer of its shares in accordance with paragraph 167(1)(m). In addition, advantage may be taken of paragraph 6(1)(d) permitting the insertion of restrictions on the transfer of shares in advance if it is known that a distributing corporation is or is likely to be subject to external constraints. Careful consideration should be given to this matter at the time of incorporation in view of the fact that paragraph 184(1)(a) provides for a shareholder dissent when any provisions restricting or constraining the issue or transfer of shares is added, changed, or removed. The directors or any shareholder may propose an amendment to the

Articles (subsection 169(1)). The procedure to be followed is set out in section 131. Notice of the shareholders' meeting at which a proposal is to be considered must set out the proposed amendment and, where applicable, state that a dissenting shareholder is entitled to be paid the fair value of his shares. Section 170 provides for separate class and series votes upon the amendment proposals enumerated in subsection (1). Subsection (3) indicates that all shareholders are entitled to vote in the circumstances whether or not they otherwise carry the right to vote. Basically, class holders are entitled to vote separately on a proposal to amend the Articles to vary the capital structure or the attributes of a class where the change affects that class directly or indirectly. The right to dissent and appraisal in connection with changes under section 170 is included in subsection 184(2). Amendments reducing stated capital can only be effected if after the reduction the corporation would be solvent (subsections 171(2) and 36(3)). Although the Act limits many corporate actions in accordance with varying solvency tests, these tests may also be characterized as impairment of capital tests. Capital is deemed reduced when an amendment makes convertible into redeemable shares any issued shares not previously convertible or increases the redemption price or advances the time for redemption of issued redeemable shares. Note that the definition of a redeemable share in section 2 is one that the corporation may redeem or purchase at its option *or*, if required by the Articles, must purchase or redeem at the option of the shareholder. Articles of Amendment must be obtained before the issue of a series under subsection 27(4). The directors must send to the Director articles in Form 4 and the Director will issue a Certificate of Amendment in accordance with section 255. Paragraphs 167(1)(g), (i) and (j) also deal with series provisions. Although paragraph 167(1)(a) deals with changes of a corporate name when authorized by a shareholders' special resolution, if a corporation obtains a name that contravenes subsection 12(1), the Director may direct the corporation to change its name in accordance with section 167. This, of course, requires Articles of Amendment and authorization *by a shareholders' special resolution by virtue of subsection 167(2)*. For an example of a resolution authorizing an amendment of Articles, see Example 10 on page 382. When the resolution has been drafted the Articles can then be easily prepared (see Example 11 on page 383). The Articles must set out the name of the Corporation, the number assigned to it by the Corporations Branch and indicate the manner in which the Articles have been amended by referring to the corresponding paragraphs in the Articles being amended. The Articles must be dated and signed by a director or officer. When the special resolution has been passed and the Articles have been signed, they must be sent to the Director in duplicate together with a certified copy of the special resolution, a cheque for \$50 payable to the



Receiver General of Canada and any supporting material designated in the instructions to the form. E.g., if the Articles change the situs of the registered office a Notice of Change of Registered Office would be filed concurrently. On receipt of the Articles the Director will issue a Certificate of Amendment in accordance with section 255 (section 172). The amendment becomes effective on the date shown in the Certificate and the Articles are amended accordingly.

### 9. Articles of Reorganization

A reorganization is defined as a court order made under section 234 (the oppression or unfairly prejudicial section), the *Bankruptcy Act* approving a proposal, or any other Act of Parliament that affects the rights among the corporation, its shareholders and creditors (subsection 185(1)). When such an order has been made Articles of Reorganization in Form 14 are sent to the Director together with Notice of Registered Office and Notice of Directors (see Example 12 on page 386). On receipt of Articles of Reorganization the Director will issue a Certificate of Amendment in accordance with section 255. The reorganization provisions of the CCA relating to arrangements and compromises have not been included in the CBCA. This type of reorganization will have to be accomplished by Articles of Amendment.

### 10. Restated Articles of Incorporation

Section 174 provides a neat method for drawing together in one document the provisions relating to a corporation appearing in its original Articles and any amendments thereto. These supersede the original Articles and amendments. In drafting Restated Articles, all the provisions of the original charter should be set forth and include a statement that they correctly set out without substantive change the corresponding provisions of the Articles of Incorporation and amendments. Restated Articles on Form 7 are sent to the Director in accordance with section 255 together with a cheque payable to the Receiver General of Canada in the amount of \$50. (See Example 13 on page 389.)

### 11. Articles of Amalgamation

Two or more corporations subject to the CBCA including holding and subsidiary corporations, may amalgamate and continue as one corporation (section 175). A previous draft of the Act contained a clause terminating the existence of the amalgamating corporations but this has been deleted and the concept of continuation retained as in the CCA.

The CBCA provides for two kinds of amalgamation, the first being an amalgamation between unaffiliated corporations (section 176), and the second being a short form amalgamation for internal reorganizations be-

tween parent and subsidiaries or subsidiaries of the same parent (section 178). The procedures are defined for the two types of amalgamation and will be discussed separately.

In an amalgamation under section 176, the amalgamating corporations must each enter into an agreement (see Example 14 on page 392) setting out the terms and means of effecting the amalgamation including the following matters:

- (a) The provisions required to be included in the Articles of Incorporation under section 6. The Department will continue to permit the amalgamated corporation to continue with the name of one of the amalgamating corporations. If it is to be different it should be cleared through the procedures previously described involving the use of Request for Name Reservation (Form 23). Regulation 28 provides that the amalgamated corporations may continue with the name of one of the amalgamating corporations, a distinctive combination of the names of the amalgamating corporations that is not confusing or a distinctive new name that is not confusing.
- (b) The place within Canada where the registered office is to be situated.
- (c) The classes and any maximum number of shares that the corporation is authorized to issue.
- (d) Restrictions, if any, on share transfers.
- (e) The fixed or minimum and maximum number of directors.
- (f) Any restrictions the business may carry on.
- (g) Other provisions if any (some of which are mandatory and will be subsequently listed).
- (h) Confirmation in Item 8 of Form 9 that the agreement has been approved by special resolutions of each of the amalgamating corporations listed in Item 10. An amalgamation agreement is "adopted" when the shareholders of each amalgamating corporation have approved of the amalgamation by special resolutions of each class or series of shareholder entitled to vote thereon. (Please note that Form 9 published in the July 12, 1975 issue of the *Canada Gazette* erroneously refers to the amalgamating corporations listed in Item 9. Item 9 is only intended to show the name of the amalgamating corporation, the Articles of which are to be the Articles of the amalgamated corporation and is applicable only to vertical short form amalgamations under section 178.)

- (i) The name and address of each proposed director of the amalgamated corporation.
- (j) The manner in which the shares of each amalgamating corporation are to be converted into shares or other securities of the corporation (paragraph 176(1)(c)). If shares of one of the amalgamating corporations are held by or on behalf of another of the amalgamating corporations, the agreement shall provide for the cancellation of such shares when the amalgamation becomes effective without repayment of capital in respect thereof, and no provision shall be made for the conversion of such shares of the amalgamated corporation (subsection 176(2)).
- (k) If any shares of an amalgamating corporation are not to be converted into securities of the amalgamated corporation, the amount of money or securities of any body corporate that the holders are to receive in addition to or instead of securities of the amalgamated corporation. The conversion provisions provide considerably greater latitude than paragraphs 137(3)(h) of the CCA and 196(2)(j) of the OBCA which require conversion into shares of the amalgamated company. Section 18 of the QCA is very liberal in its wording and provides the necessary latitude for providing conversions without specific restrictions.
- (l) The manner of payment of money instead of the issue of fractional shares of the amalgamated corporation or of any other body corporate the securities of which are to be received in the amalgamation.
- (m) Whether the by-laws of the amalgamated corporation are to be those of one of the amalgamating corporations and, if not, a copy of the proposed by-laws. The considerations governing by-laws will be the same as discussed under the heading "Continuation", i.e. it may be desirable to review the by-laws to take advantage of matters now covered by the CBCA such as the elimination of the necessity for directors to hold qualifying shares, etc.
- (n) Details of any arrangements necessary to perfect the amalgamation and to provide for the subsequent management and operation of the amalgamated corporation. Applicants would probably wish these details to receive the same consideration as the matters that would be inserted under Item 7 of Form 1 "Other provisions if any".

When the amalgamation agreement has been prepared, the directors of each amalgamating corporation must submit the amalgamation agreement to their shareholders for approval (subsection 177(1)). All shares

are entitled to vote at the meeting whether they normally carry this right or not (subsection 177(3)). Class voting is provided for if the agreement varies the attributes, rights or priorities of a particular class, this being similar to the class voting rights under section 170 (subsection 177(4)). Each shareholder of each amalgamating corporation must be sent a notice of the shareholders' meeting complying with section 129. The notice must include or be accompanied by a copy or summary of the agreement and state that a dissenting shareholder is entitled to be paid the fair value of his shares (subsection 177(2)). The amalgamation agreement is adopted when the shareholders of each amalgamating corporation have approved of the amalgamation by special resolutions of each class or series entitled to vote thereon (subsection 177(5)). (See Example 15 of such resolution on page 395.)

A vertical short form amalgamation does not require an amalgamation agreement or shareholder approval. It covers the case of the amalgamation of a holding corporation and one or more of its wholly-owned subsidiaries or an amalgamation of two or more wholly-owned subsidiaries of the same holding body corporate. The amalgamation must be approved by a resolution of the directors of each amalgamating corporation. In the case of a parent-subsidiary amalgamation (a vertical amalgamation), the shares of each amalgamating subsidiary shall be cancelled without any repayment of capital, the Articles of Amalgamation shall be the same as the Articles of Incorporation of the holding corporation and no securities shall be issued by the amalgamated corporation in connection with the amalgamation (subsection 178(1)). In the case of an amalgamation between subsidiaries (a horizontal amalgamation), the amalgamation must be approved in the same manner but the directors' resolutions must provide that the shares of all but one of the amalgamating corporations shall be cancelled without repayment of capital, that the Articles of Amalgamation shall be the same as the Articles of Incorporation of the amalgamating subsidiary whose shares are not cancelled and the stated capital of the amalgamating subsidiary corporations whose shares are cancelled, shall be added to the stated capital of the amalgamating subsidiary whose shares are not cancelled (subsection 178(2)).

Subsection 179(2) requires that Articles of Amalgamation have attached thereto a statutory declaration of a director or an officer of each amalgamating corporation (see Example 16 on page 396) that establishes to the satisfaction of the Director that there are reasonable grounds for believing that each amalgamating corporation is and the amalgamated corporation will be able to pay its liabilities as they become due and the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital and that no creditor will be prejudiced by the amalgamation, or adequate notice has been given

to all known creditors of the amalgamating corporation and no creditor objects to the amalgamation.

Before the proposed amalgamation is submitted for approval and adoption to shareholders or is considered by directors, the solvency and impairment of capital tests will have to be studied. The statutory declaration may raise several problems:

- (1) The Department, in conjunction with the Canadian Institute of Chartered Accountants, is considering the possible solvency effects of an amalgamation. E.g., if two amalgamating corporations have separate floating charges on inventory and creditors of each company must realize on their security after the amalgamation, problems may arise, particularly where the inventories of the two companies are identical fungibles.
- (2) The present practice of requiring audited statements and pro forma balance sheets must be considered as a means of verifying the affirmation of solvency in the statutory declaration or to see if clarification or correction of the statutory declaration or additional material is necessary. The Department is, however, seeking to eliminate the use of pro forma balance sheets.
- (3) Ascertainment of "the realizable value of the amalgamated corporation's assets" will pose the same problem that will be encountered in the other solvency tests in the Act. Realizable value must take into account varying circumstances such as realization on a forced sale, as a going concern, replacement value, estimation of depreciation or obsolescence, market conditions, etc. (See *The Principles and Practice of Business Valuation* by Ian R. Campbell, 1975, Richard De Boo Limited.) Subsection 118(4) exculpates a director if he relies in good faith upon a report of an auditor. The statutory declaration referred to in subsection 179(2) and the provisions of section 252 allowing the Director to rely on the verification of facts stated in a document sent to him would seem to place the burden basically on the shoulders of a corporation's auditors. They in turn might wish to obtain an independent valuation to substantiate their opinion. In cases where the amalgamating corporations have adequate surplus accounts no practical difficulty will exist.
- (4) Whether or not a creditor will be prejudiced by the amalgamation will probably also be satisfied along similar lines when notice has not been given to all known creditors under the condition specified in subparagraph 179(2)(b)(i). Creditors are also protected under section 180 which holds the amalgamated

corporation liable for the obligations of each amalgamating corporation.

- (5) If adequate notice is to be given to all known creditors of the amalgamating corporations, notice in writing must be sent to each creditor with a claim exceeding \$1,000, a notice must be published in a newspaper where the corporation has its registered office and reasonable notice thereof given in each province where the corporation carries on business. The notice must advise of the intended amalgamation and that a creditor may object within 30 days from the date of the notice (subsection 179(3)). Frivolous or vexatious objections can be disregarded (subparagraph 179(2)(b)(ii)). The departmental officials will probably not be faced with deciding whether such objections are frivolous or vexatious as it is unlikely that notice will have to be given to creditors if the Department is to rely on the statutory declaration as discussed above.

When the amalgamation agreement has been prepared and approved by the directors of each amalgamating corporation, Articles of Amalgamation will be prepared and signed in duplicate by a director or officer of each amalgamating corporation (see Example 17 on page 397). The Articles will then be filed in duplicate with the Director together with Notice of Registered Office, a Notice of Directors, statutory declarations of solvency, a copy of the amalgamation agreement, copies of the special resolutions of each of the amalgamating corporations approving the amalgamation and a cheque payable to the Receiver General of Canada in the amount of \$200. On receipt of these documents the Director will issue a Certificate of Amalgamation in accordance with section 255 (subsection 179(4)). On the date shown on the Certificate of Amalgamation the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective. All rights, assets, liabilities and obligations of the amalgamating corporations continue as those of the amalgamated corporation (section 180).

## 12. Dissolution

Part XVII of the CBCA dealing with liquidation and dissolution does not apply to a corporation that is insolvent or bankrupt within the meaning of the *Bankruptcy Act* (subsection 201(1)). The corporate existence of a solvent CBCA corporation may be terminated in the following ways:

- (1) A corporation that has not issued any shares may be dissolved at any time by resolution of all the directors. Articles of Dissolution in Form 17 shall be sent to the Director, upon receipt of which the Director shall issue a Certificate of Dissolution in

accordance with section 255. The corporation ceases to exist on the date shown on the Certificate of Dissolution. No fee is payable for a Certificate of Dissolution. For an example, see Example 18 on page 400.

- (2) Where a solvent corporation has no property or liabilities it may be dissolved by special resolution of the shareholders or, where it has issued more than one class of shares, by special resolutions of the holders of each class whether or not they are otherwise entitled to vote. A Certificate of Dissolution is obtained by following the procedures recited above.
- (3) The directors may propose, or in accordance with section 131, a shareholder may make a proposal for the voluntary liquidation and dissolution of a corporation (subsection 204(1)). The procedure for such voluntary liquidation requires appropriate notice to shareholders of a shareholders' meeting. If the shareholders authorize a dissolution by special resolution, a Statement of Intent to Dissolve (see Example 19 on page 403) is sent to the Director who issues a Certificate of Intent to Dissolve. Upon issue of a Certificate of Intent to Dissolve, the corporation ceases to carry on business except to the extent necessary for its liquidation, but its corporate existence continues until the Director issues a Certificate of Dissolution (see Example 18 on page 400). Immediately after issue of a Certificate of Intent to Dissolve, the corporation must notify its creditors, give notice as prescribed in paragraph 204(7)(b), realize on its properties, discharge its obligations and do all other acts required to liquidate its business, distribute its property remaining after providing for the payment or discharge of its obligations and distribute its remaining property among its shareholders according to their respective rights. At any time after issue of a Certificate of Intent to Dissolve and before issue of a Certificate of Dissolution, a Certificate of Intent to Dissolve may be revoked by sending to the Director a Revocation of Intent to Dissolve on Form 19 (see Example 19 on page 403). On the date shown in the Certificate of Revocation of Intent to Dissolve, the revocation is effective and the corporation may continue to carry on its business. If a Certificate of Intent to Dissolve has not been revoked, Articles of Dissolution are sent to the Director who will issue a Certificate of Dissolution upon receipt thereof in accordance with section 255 and the corporation ceases to exist on the date shown on the Certificate of Dissolution.
- (4) The Director may dissolve a corporation by issuing a Certificate of Dissolution under subsection 205(1) where a company has

not commenced business within three years of its incorporation, has not carried on business for three consecutive years or is in default for a period of one year in sending to the Director any notice or document required by the CBCA or he may apply to a court for an order dissolving the corporation in which case section 210 applies. Note that this section reduces to one year the time in which a corporation can be dissolved for failure to file an annual return. Under section 133 of the CCA the Minister of Consumer and Corporate Affairs could publish a notice in the *Canada Gazette* where a company had for two consecutive years failed to file its summary and the company was dissolved one year after such publication if the company still had not filed its summary.

The Director shall not dissolve a corporation until he has given 120 days notice to the corporation and each director and published notice of his decision in accordance with paragraph 205(2)(b). Unless cause to the contrary has been shown or an order has been made by a court under section 239, the Director may, after 120 days, issue a Certificate of Dissolution whereupon the corporation ceases to exist on the date shown in the Certificate.

- (5) In addition to the above, the Director or any interested person may apply to a court for an order dissolving a corporation:
- (a) If it has failed for two or more consecutive years to hold annual shareholders' meetings; if it has carried on a business restricted by its Articles contrary to subsection 16(2); if it has failed to provide shareholders and creditors with access to the corporate records mentioned in subsection 20(1) in accordance with section 21; if it has failed to allow a shareholder or his agent to examine the financial statements referred to in section 151; if it has failed to send a copy of the annual financial statements to a shareholder not less than 21 days before an annual meeting under section 153 or has procured any certificate under the CBCA by misrepresentation (subsection 206(1)).
  - (b) If the court is satisfied that an act or omission of the corporation, the business or affairs of the corporation or its affiliates, or the powers of the directors of the corporation or any of its affiliates have a result that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, or the court is satisfied that a unanimous shareholder agreement entitles a complaining shareholder to demand dissolu-



tion as the result of a specified event or it is just and equitable that the corporation should be liquidated and dissolved (subsection 207(1)), the court may make such order under section 207 or 234 as it thinks fit (subsection 207(2)).

The procedures for court supervised liquidations are outlined in sections 208, 209 and 210. The liquidation of a corporation commences when a court makes an order therefor (section 211), at which time the corporation continues in existence but shall cease to carry on business except that required for an orderly liquidation; and the powers of the directors and shareholders cease and vest in the liquidator, except as specifically authorized by the court.

If the court approves the final account rendered by a liquidator, it shall make an order directing the Director to issue a Certificate of Dissolution directing the custody or disposal of the documents or records of the corporation and discharge the liquidator. The liquidator must immediately send a certified copy of the court order to the Director, upon receipt of which he shall issue a Certificate of Dissolution in accordance with subsection 255(2) and the corporation ceases to exist on the date shown in the Certificate of Dissolution.

It has already been stated that failure of a CCA company to continue under the CBCA within 5 years of its coming into force causes automatic dissolution of the company (subsection 261(8)).

### **13. Articles of Revival**

Where a body corporate is dissolved under Part XVII or section 261, any interested party may apply to the Director to have it revived. On filing Articles of Revival (see Example 20 on page 406), the Director will issue a Certificate of Revival in accordance with section 255 whereupon the corporation is revived on the date shown on the Certificate of Revival (subsection 202(4)).

Section 202 enables the administrative revival of a body corporate that either failed to obtain Articles of Continuance under section 261 within the 5-year time limit and was automatically dissolved under subsection 261(8) or of a corporation that was dissolved by court order under section 210. The Department is planning an extensive program of advising its clientele of the necessity to continue existing CCA companies. An extensive campaign will probably take place shortly before the expiry of the 5-year deadline. Articles of Revival in Form 15 (see Example 20 on page 406) must be sent to the Director. Upon receipt of Articles of Revival the Directors shall issue a Certificate of Revival in accordance with section 255. The corporation is revived on the date shown on the

Certificate, and thereafter the corporation, *subject to such terms as may be imposed by the Director* and to the rights acquired by any person after its dissolution, has all the rights and privileges and is liable to the obligations that it would have had if it had not been dissolved. A great responsibility is placed on the Director as he sets the terms for revival. The instructions to Form 15, Articles of Revival, will probably have to be amended. They require the Articles of Revival to be accompanied by Articles of Continuance. The instructions for completing the Articles of Continuance require that they be accompanied by a copy of a special resolution required under section 261. This would appear impossible because no shareholder would exist to pass the special resolution. Subsection 221(1) provides that property of a corporation that has not been disposed of at the date of its dissolution vests in Her Majesty in Right of Canada. Subsection 221(2) provides that on revival the property that vested in Her Majesty *and that has not been disposed of* shall be returned to the corporation. This saddles the Director with a difficult problem in view of the wording of subsection 202(4) stating that the corporation has all the rights and privileges that it would have had if it had not been dissolved. The Director is faced with an equally difficult problem because on a voluntary dissolution (paragraph 204(7)(c)), the corporation must dispose of properties that are not to be distributed in kind to its shareholders. At the time of writing the Department has not developed a view on this problem. One solution would be to apply to a court for directions under section 237. Another would be to refuse to issue Articles of Revival so that the applicant could apply to the court under subsection 239(3). The applicant under section 202 may be any interested person. Such person is not defined in the Act but it is difficult to foresee a court extending the meaning to include anyone without a reasonable interest such as a shareholder, director, creditor or plaintiff. The Director may be faced with a third dilemma. Section 210 empowers the court to make "any order it thinks fit . . ." Such order might impede the Director in imposing the terms of revival under subsection 202(4).

#### 14. Annual Return

Every corporation shall, on the prescribed date, send to the Director an annual return in prescribed form (subsection 256(1)). Section 3 of the general Regulations requires the return to be sent to the Director on Form 22 (see Example 21 on page 409) on or before June 1st in every year, other than the year of incorporation, and it must contain the information prescribed on the form as at the 31st day of March preceding. In the event of a default in filing for a period of one year, the Director may summarily dissolve the corporation pursuant to paragraph 205(1)(c). This period has been shortened from the period provided in sections 133 and 150 of the CCA. Under subsection 133(9) of the CCA where a com-

pany has for two consecutive years failed to file in the Department the summary required under subsection 133(1) of the CCA, the Minister may give notice to the company that an order dissolving it will be issued unless within one year after the publication of the notice in the *Canada Gazette* the company files a summary in respect of those two years. One year after the publication of the notice, if the company has not so filed, the Minister may, by order published in the *Canada Gazette*, declare the company dissolved.

### 15. Certificate of Compliance

The Branch is currently issuing a Certificate of Corporate Existence in place of the Certificate of Good Standing previously issued (see Example 22 on page 411). At the time of writing, a Certificate of Compliance is under contemplation.

### 16. Application for Exemption

Although Mr. Sparling has already dealt with this thoroughly in his paper, this paper deals with all forms and Examples are only included to complete the package. The Act provides eight situations for exemption applications (see Example 23, Example of Form 27 on page 412). Under the CCA the Department has developed experience only on insider reporting and financial disclosure. A copy of Information Statement No. 9 published in the December 1974 issue of the "Bulletin" of the Bureau of Corporate Affairs is shown as Example 24 on page 414. This details the guidelines and procedures and includes as a Schedule a form of application for exemption from insider reporting under subsection 100.1(10) of the CCA together with a declaration of bona fides and order. Forms 24 and 25 are forms of initial report of insider interest and report of change in insider interest, designed so that they may be used under both the CCA and the CBCA (sections 100.1 of CCA and 122 of CBCA) (see Examples 25 and 26 on pages 422, 426). Insider Exemption Application & Order (see Examples 27 and 28 on pages 431, 434).

Included as Example 29 on page 435 is a proposed revision of Information Statement No. 9 as it relates to the CBCA and which has added as Schedules "B", "C", "D", examples of "Statement of Facts", "Argument" and "Statutory Declaration", all of which would be in a form acceptable for consideration by the Director. Schedules "A" and "E" are revamped forms of an application and order as they relate to the CBCA. Section 31 of the CBCA Regulations requires that "NIL" reports must be filed. Schedules "B", "C" and "D" have been added because of the added documents required by Form 27 under Item 6, document numbers 2, 3 and 4. You should particularly note paragraph 2.01 on page 416 which shows who will not be exempted except in special circumstances.

Notice that the definition of an insider now includes "tippees" and excludes trustees. Sections 100.5 and 129.3 of the CCA are excluded because the Director has a general power under section 232 as a "complainant" to initiate a derivative action for liability purposes only.

As the Department has not published an example of a Financial Reporting Exemption Application under the CCA, please see an acceptable form of application and order (Examples 30 and 31 on pages 450, 462). Such must be made in the court where the registered office is located. Accordingly, the form of order and procedures may vary from this example of an Ontario situation.

### 17. Proxies and Proxy Solicitation

This matter has been thoroughly dealt with by Mr. Anisman in his paper. Therefore only the following brief comment is made because this paper is intended to be a practical guide covering every part of the Regulations and all forms.

Part XII of the CBCA, dealing with this matter, continues the substance of the CCA with the following notable changes:

- (a) Section 147 of the CBCA entitles a registrant to vote or appoint a proxy to vote the shares of his client only upon specific instructions by his client while section 108.7 of the CCA enables a registrant to vote clients' shares if he passes on to the client all documents relating to the meeting, in which case the registrant is entitled to vote the shares either in accordance with the instructions received from the client or, in default of such instructions 24 hours prior to the meeting, in his own discretion.
- (b) The term "Registrant" is defined in a more restrictive manner under section 141 of the CBCA so as to exclude persons other than securities brokers, agents and dealers.
- (c) The combined effect of subsections 142(3) and 129(4) is that a proxy will be valid only for a specific meeting or any adjournment thereof within a period of time not exceeding 90 days, after which period a new proxy will be needed.
- (d) Paragraph 108.4(2)(a) of the CCA has not been continued under the CBCA (subsection 143(2)). The said provision exempts solicitations of proxies where the total number of shareholders solicited is fewer than 15.
- (e) No form of proxy is prescribed under the CBCA. Subsection 108.2(4) of the CCA governing the contents of the form of proxy has been taken out and the requirements are specified in sections 34 to 41 inclusive and Schedule 1 of the Regulations.

Information Statement No. 3 published in the November 1971 Bulletin illustrates reporting remunerations of directors and officers and disclosure by private companies — (sections 122.2 and 128 of the CCA) (Example 32 on page 463). Form 26 prescribes the form of directors' and officers' remuneration subject to paragraph 37(18)(e) of the Regulations. This form has been removed from the financial statements and placed in a more meaningful environment.

### 18. Take-Over Bids

There is no prescribed form for a take-over bid. The matter is governed by Part VIII of the Regulations. As the program for this series does not appear to include this topic in any of the subject papers, it will be dealt with in more detail than the previous parts of this paper.

This subject was included in the 1970 amendments of the CCA which is similar to the Ontario law. Since the Proposals were published in 1971, the take-over bid provisions of the Alberta, Manitoba and Ontario Securities Acts have been modified. The Ontario Select Committee on Company Law in its Report on Mergers, Amalgamations and Certain Related Matters made recommendations for improvement in the take-over bid sections of the Ontario *Securities Act* which have been incorporated into Bill 98 (the Ontario *Securities Act, 1975*).

At the time of writing this paper the stock exchanges and securities commissions have been working together, in loose cooperation with the federal authorities, to resolve the problem of take-over bids made on the floor of a stock exchange. The recent Abitibi take-over of PRICE BROTHERS LIMITED, the Cornat case and the Alberta take-over of PACIFIC WESTERN AIRLINES are recent instances of this tactic. It is interesting to note that even provincial governments can pioneer the use of loopholes. The definition of "exempt offer" in paragraph 187(b) referring to the purchase of shares through a recognized stock exchange has plugged the loophole by the recent addition of the words "in such circumstances as may be prescribed". The matter will be dealt with through the Regulations or a statutory revision when a consensus has been reached with the securities commissions and stock exchanges.

Sections 187 to 190 are all duplications or refinements of existing sections of the CCA. The details of the contents of take-over bid circulars, exchange offer circulars, directors' circulars and the situation where the offeror exercises effective control over the offeree corporation are dealt with in Part VIII of the Regulations. Section 187 is the definition section. "Share" is defined to clearly include any option to acquire a share.

Like the CCA, "take-over bid" is defined with reference to a 10% block of shares. The Ontario *Securities Act* refers to 20%. The U.S. Securities Exchange Act 1934 refers to 5%.

Section 188 follows section 135.2 of the CCA; it separates the bid rules into three categories:

- (a) a bid for *all* shares;
- (b) a bid for *less than all* shares; and,
- (c) rules of general application to all bids.

The section adds two concepts not included in the Proposals:

- (a) a *60-day* limit is established after which a shareholder may withdraw his shares if the bidder has not taken up and paid for them.
- (b) A reference to section 199 is added requiring an offeror to state his intention to acquire 100% of the offeree corporation's issued shares, if necessary, under the compulsory sale provisions of section 199.

Section 190 finds its source in CCA, section 135.2 and the Ontario *Securities Act*, section 83. It parallels recent amendments to the Ontario *Securities Act* introducing paragraphs (e) and (f), which relate to market acquisitions during a bid.

Paragraph (e) compels an offeror to give notice of his intention to purchase shares other than pursuant to the bid during the bid, thus giving notice to accepting offerees of the offeror's market dealings, enabling them to compel the offeror to comply with his obligations under paragraph 190(f).

Paragraph (f) in effect deems any higher price paid other than pursuant to the bid to be an increase of the bid price per share payable to all offerees.

Section 193 refers to regulations instead of to the prospectus provisions of the CCA that have been deleted.

Section 194, like section 87 of the Ontario *Securities Act*, now makes a directors' circular mandatory in every take-over bid. It also adds a provision entitling a dissenting director to have his dissent set out in the directors' circular.

The directors' circular is not mandatory as a general rule in Canada. A similar provision is proposed in Ontario Bill 98.

Subsection 194(2) is new and legitimates a notice from directors of the offeree corporation to the offerees, advising them that a directors' circular will be distributed to them.

Subsection 195(2) now empowers the Director to require an expert to file with him a copy of his report and of his consent to its use.

Subsection 196(2) effects a minor change to reflect that the directors need not agree unanimously to send a directors' circular under section 194. A dissenting director is entitled under subsection 194(5) to have his dissent set out in the directors' circular.

Section 197, dealing with an order exempting a take-over bid from any of the provisions of this Part, is unchanged from the CCA, section 135.91 and is similar to the Ontario *Securities Act*, section 90. No specific right of appeal is referred to because of the general appeal provision in section 242.

Section 198 deals with offences and remedies and parallels CCA section 135.93. Subsection (3) is new. It empowers a court:

- (a) to restrain the bid, e.g. because of a material misrepresentation;
- (b) to require correction of bid documents; and,
- (c) to extend statutory dates and issue a compliance order to compensate a person who has suffered loss.

The Act also adds several post-bid remedies empowering the court to rescind a transaction, to require an offeror to divest himself of acquired shares, and to prohibit voting acquired shares. This subsection is completely new law.

Section 199 concerning the offeror's right to acquire 100% of the offeree corporation's shares continues section 136 of the CCA but modifies the procedure radically to reconcile it with the right to dissent under section 184. Note that although the procedures are parallel the option privilege is the converse under section 184 where the shareholder has an option to withdraw. Under this section the offeror has an option to require the dissenting offeree to offer his shares to the offeror at an objectively appraised price.

The definition of "take-over bid" in this section covers all acquisitions, and not only those which are subject to the general rules in Part XVI.

## 19. Financial Disclosure

This has been dealt with fully in Mr. Carrière's paper. However, as this paper is to cover all forms in one paper, the following brief comments are made.

Part XIII of the CBCA continues with little change the requirements of the CCA as to the contents of financial statements. The requirements are no longer set out in the Act but are detailed in sections 42 to 54 of the Regulations. Section 42 of the Regulations requires the statements to be prepared in accordance with the C.I.C.A. Handbook so that the Regula-

tions will change as C.I.C.A. changes occur from time to time. The power to exempt under section 150 is now vested in the Director rather than the Minister as under section 129.3 of the CCA. The exemption power is broader as it includes any matter required to be included in the financial statements rather than merely sales or gross revenues. The Director's power is subject to court review under section 239. Subsection 154(3) permits Regulations to determine circumstances where aggregation of revenues and assets of affiliates would not be made in applying the \$10,000,000—\$5,000,000 test. The auditor must now be independent of a corporation (section 155). Non-distributing corporations and those that fall below the gross revenue—assets test, may resolve not to appoint an auditor (section 167). Sections 158 to 166 contain new provisions to clarify auditing.



## Example 1

C.C.A. Sec. 32  
Effective: 15 Aug./75

C.C.A. Sec. 32  
Effective le: 15 Août/75

**CORPORATIONS****Policy Statement**

5.0

**SURRENDER OF CHARTER  
PURSUANT TO SECTION  
32(1) or 32(2)  
OF THE CANADA  
CORPORATIONS ACT**

**Contents**

- 5.1 General
- 5.2 Notice to Creditors and Other Interested Parties
- 5.3 Application Filed Incomplete
- 5.4 Application Filed Complete
- 5.5 Objections to Dissolution
- 5.6 Publication of Effective Dissolution
- 5.7 Delegation of Authority

**SURRENDER OF CHARTER  
PURSUANT TO SECTION  
32(1) or 32(2)  
OF THE CANADA  
CORPORATIONS ACT**

**5.1 General**

An application for the Surrender of a Charter is regulated by the following policies and must contain the documentation set out in Clientele Procedure number 6.0.

**5.2 Notice to Creditors and other Interested Parties**

5.2.1 Where a corporation publishes a NOTICE OF INTENT TO DISSOLVE in the Canada Gazette and a local newspaper under sec-

**INCORPORATION****Politiques Internes**

5.00

**ABANDON DE CHARTE  
SOUS L'ARTICLE  
32(1) ou 32(2)  
DE LA LOI SUR LES  
CORPORATIONS CANADIENNES**

**Table de Matières**

- 5.1 Généralité
- 5.2 Avis aux Créanciers et autres Parties intéressées
- 5.3 Dépôt d'une demande incomplète
- 5.4 Dépôt d'une demande complète
- 5.5 Objections à la Dissolution
- 5.6 Publication d'une Dissolution effective
- 5.7 Délégation d'autorité

**ABANDON DE CHARTE  
SOUS L'ARTICLE  
32(1) ou 32(2)  
DE LA LOI SUR LES  
CORPORATIONS CANADIENNES**

**5.1 Généralité**

La demande d'abandon de charte est règlementée par les politiques suivantes et doit contenir la documentation énumérée à l'item 6.0 de la Procédure destinée à la Clientèle.

**5.2 Avis aux Créanciers et autres Parties intéressées**

5.2.1 Lorsqu'une corporation publie un AVIS D'INTENTION DE DISSOLUTION dans la Gazette du Canada et dans un journal local

tion 32(1) of the Canada Corporations Act; or

5.2.2 where a NOTICE OF INTENT TO DISSOLVE is published in the Canada Gazette by the Minister on behalf of a Corporation under section 32(2) of the Canada Corporations Act,

such NOTICE shall be the only official notice necessary to warn creditors and other interested parties of the intended dissolution of a corporation. As an additional notice, intended dissolution will be published in the Corporations Branch monthly "Bulletin".

### 5.3 Application Filed Incomplete

Where an application for surrender of charter under the provisions of section 32(1) and (2) of the Canada Corporations Act is deficient in content

5.3.1 the application will be returned to the sender along with a "DEFICIENCY NOTICE" indicating the Minister's further requirements;

5.3.2 the fees filed under section 32(1) with the application will be retained in anticipation of a further filing.

### 5.4 Application Filed Complete

Where an application is filed complete

5.4.1 the Minister will immediately issue a "CERTIFICATE OF DISSOLUTION AND CANCELLATION OF CHARTER" pursuant to section 32(3) of the Act;

5.4.2 the certificate will bear an effective date of one year after the date on which the intent to dissolve was pub-

sous l'Article 32(1) de la Loi sur les corporations canadiennes; ou

5.2.2. lorsqu'un AVIS D'INTENTION DE DISSOLUTION est publié dans la Gazette du Canada par le Ministre au nom d'une corporation sous l'Article 32(2) de la Loi précitée.

cet AVIS sera la seule notice officielle qui attirera l'attention des créanciers et de toutes autres parties intéressés sur l'intention de dissolution d'une corporation. Cette intention de dissolution sera publiée, en avis additionnel, dans le "Bulletin" mensuel de la Direction des Corporations.

### 5.3 Dépôt d'une demande incomplète

Lorsqu'une demande d'abandon de charte, déposée sous les dispositions des Articles 32(1) et 32(2) fait défaut dans sa teneur

5.3.1 la demande sera retournée à l'expéditeur, accompagnée d'un "AVIS DE DÉFAUT" indiquant les exigences du Ministre;

5.3.2. les honoraires produit avec la demande sous l'Article 32(1) seront retenus pour éventuel dépôt d'une demande complétée.

### 5.4 Dépôt d'une demande complète

Lorsqu'une demande complète est produite.

5.4.1. le Ministre émettra immédiatement un "CERTIFICATE OF DISSOLUTION ET D'ANNULATION DE CHARTE" conformément aux dispositions de l'Article 32(3) de la Loi;

5.4.2 le certificat portera une date qui deviendra effective un an après la date de publication de l'intention de disso-

lished in the Canada Gazette; if the applicant proves to the satisfaction of the Minister that there are valid reasons for obtaining an earlier effective date, the certificate will be dated accordingly;

- 5.4.3 the certificate will become effective on the date specified unless it is revoked before that date due to an objection to its dissolution (see 5.5).

### 5.5 Objections to Dissolution

Where a "reasonable objection" to the dissolution of a company has been raised by a creditor or interested party (Including Revenue Canada and provincial Departments of Revenue)

- 5.5.1 the Minister will advise the applicants that an objection has been raised by "....." and that the certificate will be revoked unless the objection is cleared or withdrawn one month before the "effective date" of dissolution;
- 5.5.2 an objection will be considered reasonable
- (a) when made by a Department of Revenue if it states that an assessment or a reassessment has been or will be raised;
  - (b) when raised by a creditor or other interested party if it is accompanied by reasonable proof of the claim;
- 5.5.3 the Minister will issue a "NOTICE OF REVOCATION" to applicants fifteen (15) days prior to the effective date of dissolution if

lution dans la Gazette du Canada. Si le requérant prouve à la satisfaction du Ministre qu'il existe de valides motifs pour obtenir une date effective anticipée, le certificat sera daté en conséquence.

- 5.4.3. le certificat prendra effet à la date spécifiée à moins de révocation, avant cette date, attribuable à une objection à cette dissolution (voir 5.5)

### 5.5 Objections à la Dissolution

Lorsqu'une "objection raisonnable" à la dissolution de la compagnie a été soulevée par un créancier ou par un parti intéressé (y compris Revenue Canada et un Ministère provincial de Revenu)

- 5.5.1 le Ministre informera les requérants qu'une objection a été soulevée par "....." et que le certificat sera révoqué à moins d'objection clarifiée ou retirée un mois avant la "date effective" de dissolution.
- 5.5.2 une objection est considérée être raisonnable:
- (a) lorsque, présentée par un Ministère de Revenu, elle énonce qu'une évaluation ou réévaluation a été ou sera soulevée;
  - (b) lorsque, présentée par un créancier ou par un autre parti intéressé, elle est accompagnée d'une preuve raisonnable à l'appui de la réclamation.
- 5.5.3 le Ministre adressera au requérant un "AVIS DE REVOCATION" quinze (15) jours avant la date effective de dissolution si aucune

proof is not received that the objection has been cleared or withdrawn.

preuve de clarification ou de retrait de l'objection n'a été reçue.

**5.6 Publication of Effective Dissolution**

After a company has had its charter cancelled and has been dissolved, the Minister shall publish a NOTICE OF EFFECTIVE DISSOLUTION in the Canada Gazette for the purpose of updating federal and provincial corporate data files.

**5.6 Publication de Dissolution Effective**

Une fois la charte annulée et la compagnie dissoute, le Ministre publiera un AVIS DE DISSOLUTION EFFECTIVE dans la Gazette du Canada pour que soient tenus à jour les dossiers des corporations fédérales et provinciales.

**5.7 Delegation of Authority**

The Minister's authority under the Act to direct the cancellation of a company charter and the dissolution of the company is delegated to the Assistant Deputy Minister (Corporate Bureau), the Director, Corporations Branch and the Assistant Directors.

**5.7 Délégation d'Autorité**

L'autorité conférée par la Loi au Ministre pour ordonner l'annulation d'une charte et la dissolution d'une compagnie est déléguée au Sous-Ministre (Bureau des Corporations), au Directeur et Directeurs Adjoins de la Direction des Corporations.

## Example 2

C.C.A. Sec. 32  
Effective: 15 Aug./75

C.C.A. Sec. 32  
Effective le: 15 Août/75

**COPORATIONS****Clientele Procedure**

6.0

**SURRENDER OF CHARTER  
FOR SURRENDER OF CHARTER  
32(1) or 32(2)  
OF THE CANADA  
CORPORATIONS ACT**

**Contents**

- 6.1 Related Policy Statement
- 6.2 Model Application
- 6.3 Essential Items in Application
- 6.4 Processing of Objections to  
Dissolution

**DOCUMENTATION REQUIRED  
FOR SURRENDER OF CHARTER  
PURSUANT TO SECTION  
32(1) or 32(2) OF THE  
CANADA CORPORATIONS ACT**

- 6.1 Refer to Policy Statement No. 5.0 for statutory and Branch policy statement interpretation.
- 6.2 Applications for Surrender of Charter will be considered complete if they satisfy the requirements set out in the model application form illustrated in Exhibit "A" annexed to these procedures.
- 6.3 The requirements enumerated in the Model application form are straightforward, however, since incomplete applications will be returned to senders, applicants should ensure that the following points are well covered:
  - 6.3.1 the auditors' certificate required with applications filed under section 32(1) of

**INCORPORATION****Procédure de clientèle**

6.0

**ABANDON DE CHARTE  
SOUS L'ARTICLE  
32(1) ou 32(2)  
DE LA LOI SUR LES  
CORPORATIONS CANADIENNES**

**Table de Matières**

- 6.1 Relative Politique Interne
- 6.2 Modèle de formule de demande
- 6.3 Clauses essentielles dans la demande
- 6.4 Procédure d'objections à la Dissolution

**DOCUMENTATION REQUISE  
POUR ABANDON DE CHARTE  
SOUS L'ARTICLE 32(1) ou 32(2)  
DE LA LOI SUR LES  
CORPORATIONS CANADIENNES**

- 6.1 Se reporter à la Politique Interne No. 5.0 pour interprétation statutaire et pour interprétation de la politique interne de la Direction.
- 6.2 Les demandes d'abandon de charte seront considérées complètes si elles se conforment aux exigences mentionnées dans le modèle de formule de demande reproduite au Tableau "A" annexé à ces procédures.
- 6.3 Les exigences énumérées dans le modèle de formule de demande sont clairement exposées. Cependant, étant donné que les demandes incomplètes seront retournées à leurs expéditeurs, les requérants devraient s'assurer que les points ci-après sont bien observés:
  - 6.3.1 Le certificat des vérificateurs qui est requis avec la demande produite sous l'Ar-

the Canada Corporations Act must state unequivocally:

- (a) that the Company has no assets and if it had assets that they have been rateably divided amongst the shareholders or members; and
- (b) that the Company has no debts, liabilities or other obligations, or that they have been duly provided for. (A qualified certificate will be allowed by Corporations Branch for tax reasons only.)
- (c) applications under section 32(1) should be supported by (see model illustrated in Exhibit "A"):
  - (i) by-law or resolution under company seal passed by a two-thirds majority
  - (ii) affidavit or statutory declaration of the facts in the application.
  - (iii) auditors' certificate
  - (iv) prescribed fees \$150.00
  - (v) copies of publication of notice of application to surrender in the Canada Gazette and a local newspaper
- (d) applications under section 32(2) should be supported by:
  - (i) by-law or resolu-

ticle 32(1) de la Loi sur les corporations canadiennes, doit établir sans équivoque:

- (a) que la Compagnie n'a aucun actif et que, si elle en possédait, cet actif a été partagé proportionnellement entre ses actionnaires ou ses membres; et
- (b) que la Compagnie n'a ni dettes, ni engagements, ni autres obligations, ou qu'il a été dûment pourvu à ces dettes, engagements ou obligations. (Un certificat sous toute réserve quant aux obligations fiscales uniquement pourrait être accepté par la Direction des Corporations).
- (c) les demandes sous l'Article 32(1) doivent être accompagnées (voir modèle reproduit au Tableau "A"):
  - (i) du règlement ou de la résolution sous sceau corporatif, établi (e) par une majorité de deux-tiers
  - (ii) d'un affidavit ou d'une déclaration statutaire des faits cités dans la demande
  - (iii) d'un certificat des vérificateurs
  - (iv) du droit prescrit (\$150.00)
  - (v) des copies de l'avis de la demande d'abandon dans la Gazette du Canada et dans un journal local
- (d) les demandes sous l'Article 32(2) doivent être accompagnées:
  - (i) du règlement ou de

tion under company seal passed by two-thirds majority

(ii) affidavit or statutory declaration

(iii) auditors' certificate.

la résolution sous sceau corporatif établi (e) par une majorité de deux-tiers

(ii) d'un affidavit ou d'une déclaration statutaire

(iii) d'un certificat des vérificateurs

#### 6.4 Objections

6.4.1 Applicants will be immediately advised of a reasonable objection to the dissolution and will be given until the last month prior to the "Effective Date" appearing on the Certificate of Dissolution and Cancellation of Charter to file proof with the Minister that the objection has been cleared. Proof of clearance of an objection must be substantiated by documentation by the objector.

6.4.2 The Minister will revoke the Certificate of Dissolution and Cancellation of Charter fifteen (15) days prior to its "Effective Date" where a reasonable objection has not been cleared as mentioned in 6.4.1

**Note:** Please note that it is of considerable advantage to both the applicant and the Department to file an application pursuant to section 32 (1) of the Canada Corporations Act as early as possible after the intent to dissolve has been published in the Canada Gazette.

Applicants should note that it is to their advantage to submit applications in the suggested format illustrated in Exhibit "A" to these procedures.

#### 6.4 Objections

6.4.1 Les requérants seront immédiatement informés d'une objection raisonnablement faite à l'encontre de la dissolution et il leur sera accordé, pour soumettre au Ministre la preuve d'objection clarifiée, un délai qui prendra fin un mois avant la "Date Effective" indiquée sur le Certificat de Dissolution et Annulation de Charte. La preuve de clarification doit être justifiée dans un document soumis par le protestataire.

6.4.2 Le Ministre révoquera le Certificat de Dissolution et Annulation de Charte quinze (15) jours avant sa "Date Effective" en cas d'objection clarifiée selon le paragraphe 6.4.1

**Note:** Veuillez noter que, dans l'intérêt du requérant et du Ministère également, la demande faite sous l'Article 32(1) de la Loi sur les corporations canadiennes doit être produite aussitôt après la publication de l'intention de dissolution dans la Gazette du Canada.

Les requérants devraient noter qu'il est de leur intérêt de soumettre leurs demandes dans le format suggéré tel que reproduit au Tableau "A" de ces procédures.

Example 3

**Special Resolution**

**continuing the Company under the provisions of the Canada Business Corporations Act and authorizing the directors to apply for a Certificate of Continuance.**

WHEREAS ABC Corporation (the Company) was incorporated under an Act of Parliament of Canada pursuant to the provisions of the (name of the Act) by letters patent dated ..... as amended by supplementary letters patent. (if any)

On Motion duly made, seconded and carried it, was

RESOLVED THAT:

1. the directors be and they are hereby authorized to apply to the Director under section 181 of the Canada Business Corporations Act for a Certificate of Continuance continuing the Company as if it had been incorporated under the Act;
2. the letters patent of the Company (as amended by Supplementary Letters Patent—if any) be and they are hereby amended by substituting for all provisions thereof the provisions set out in the Articles of Continuance attached hereto; and
3. the directors and proper officers of the Company be and they are hereby authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing.

PASSED this ..... day of ..... 19 ..

CERTIFIED TO BE A TRUE COPY OF A SPECIAL RESOLUTION OF THE COMPANY PASSED AT A GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY CALLED FOR THE PURPOSE OF CONSIDERING THE SAID SPECIAL RESOLUTION.

SIGNED BY: .....  
*Authorized Director or Officer*  
—Secretary



## Example 4

## CANADA BUSINESS CORPORATIONS ACT

ARTICLE OF CONTINUANCE  
FORM 11  
INSTRUCTIONS**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the body corporate.

**Item 2**

Set out the name of the place and province within Canada where the registered office is to be situated. A specific street address is not required, but a post office box number alone is not sufficient.

**Item 3**

Set out the details required by paragraph 6(1)(c) of the Act. All shares must be without nominal or par value and must comply with Part V of the Act. Par value shares issued by a body corporate before continuance are deemed to comply with the Act under ss. 24(2), 181(7) and 181(8).

**Item 4**

If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

**Item 5**

State the number of directors. If cumulative voting is permitted the number of directors must be invariable, otherwise it is permissible to specify a minimum and maximum number of directors.

**Item 6**

If restrictions are to be placed on the business the corporation may carry on, set out the restrictions.

**Item 7**

Set out any provisions permitted by the Act or Regulations to be set out in the by-laws of the corporation or a unanimous shareholder agreement that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

**Signature**


A director or authorized officer of the body corporate shall sign the Articles.

**Other Documents**

If the continuance is under ss. 181(1) of the Act, the Articles of Continuance must be accompanied by

- (a) Proof of authorization under the laws of the jurisdiction, where the body corporate is incorporated,
- (b) a Notice of Registered Office (Form 3) and a Notice of Directors (Form 6), and
- (c) if the body corporate is a federally incorporated body corporate, a copy of the special resolution required under section 261 of the Act.

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Consumption et  
 Corporate Affairs corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
STATUTS DE CONTINUATION  
FORMULE 11  
INSTRUCTIONS**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la personne morale.

**Rubrique 2**

Indiquer le nom de l'endroit et de la province au Canada où le siège social doit être situé. Une adresse précise n'est pas requise, mais un numéro de boîte postale seul n'est pas suffisant.

**Rubrique 3**

Indiquer les détails requis par l'alinéa 6(1)(c) de la Loi. Toutes les actions doivent être sans valeur nominale ou sans valeur au pair et doivent se conformer à la Partie V de la Loi. Les actions avec valeur au pair émises par une personne morale avant sa continuation, sont présumées conformes à la Loi, en vertu des paragraphes 24(2), 181(7) et 181(8).

**Rubrique 4**

Si le droit de transfert des actions de la corporation doit être restreint, indiquer une déclaration à cet effet et la nature de ces restrictions.

**Rubrique 5**

Indiquer le nombre des administrateurs. S'il est prévu un vote cumulatif, ce nombre doit être fixe; autrement, il est permis de spécifier un nombre minimum et maximum d'administrateurs.

**Rubrique 6**

Si des restrictions doivent être imposées quant aux entreprises que la corporation peut exploiter, indiquer les restrictions.

**Rubrique 7**

Indiquer les dispositions que la Loi ou les Règlements permettent d'énoncer dans les règlements de la corporation ou une convention unanime des actionnaires et qui doivent faire partie des statuts, incluant les droits de préemption ou dispositions relatives au vote cumulatif.

**Signature**


Un administrateur ou dirigeant autorisé de la personne morale doit signer les statuts.


**Autres documents**

Si la continuation est effectuée en vertu du paragraphe 181(1) de la Loi, les statuts de continuation doivent être accompagnés

- (a) d'une preuve de l'autorisation en vertu des lois de la juridiction où la personne morale est incorporée,
- (b) d'un avis du lieu du siège social (Formule 3) et d'une liste des administrateurs (Formule 6), et
- (c) si la personne morale est une personne morale incorporée sous la juridiction fédérale, d'une copie de la résolution spéciale requise en vertu de l'article 261 de la Loi.

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le directeur, Direction des Corporations,  
 Consommation et Consumer and  
 corporations Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS CORPORATIONS ACT  FORM 11 ARTICLES OF CONTINUANCE (SECTION 181)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES  FORMULE 11 STATUTS DE CONTINUATION (ARTICLE 181)
1 - Name of Corporation <b>ABC Limited</b>	Nom de la corporation	
2 - The place in Canada where the registered office is to be situated <b>Urban Community of Montreal, Quebec</b>	Lieu au Canada où doit être situé le siège social	
3 - The classes and any maximum number of shares that the corporation is authorized to issue <b>Common Shares</b>	Catégories et tout nombre maximal d'actions que la corporation est autorisée à émettre	
4 - Restrictions if any on share transfers <b>n/a</b>	Restrictions sur le transfert des actions s'il y a lieu.	
5 - Number (or minimum and maximum number) of directors <b>not less than 5 nor more than 11</b>	Nombre (ou nombre minimum et maximum) d'administrateurs	
6 - Restrictions if any on businesses the corporation may carry on <b>n/a</b>	Restrictions imposées quant aux entreprises que la corporation peut exploiter, s'il y a lieu	
7 - Other provisions if any <b>Holders of the common shares are entitled to vote at all meetings of shareholders and to receive the remaining property of the corporation upon a dissolution.</b>	Autres dispositions s'il y a lieu	
Date	Signature	Description of Office - Description du poste
FOR DEPARTMENTAL USE ONLY Corporation No. - No de la corporation		À L'USAGE DU MINISTÈRE SEULEMENT Filed - Déposé
CCA-1391		

### Articles of Continuance

1. Name of Corporation: .....
2. Place in Canada where the registered office is to be situated: .....
3. The classes and any maximum number of shares that the Corporation is authorized to issue:  
(The annexed Schedule 1 is incorporated in this form).
4. Restrictions, if any, on share transfers:  
No shares shall be transferred to any person without the approval of a resolution of the Board of Directors passed at a duly constituted directors' meeting or in lieu thereof the consent in writing of a shareholder or shareholders holding 51% or more of the class of shares being transferred shall be obtained. The transfer of shares shall also be subject to the provisions of any unanimous shareholders agreement.
5. Number (or minimum or maximum number) of directors:  
(must be a fixed number if cumulative voting is provided).
6. Restrictions, if any, on business the corporation may carry on:  
There are no restrictions,  
or  
The corporation may carry on (any of) the following business(es) and no others, namely:  
or  
The corporation may not carry on (any of) the following business(es):
7. Other provisions, if any:
  - (a) Subject to the provisions of the Canada Business Corporations Act, the Corporation may purchase or otherwise acquire any shares issued by it;
  - (b) No shares shall be issued without the prior written consent of shareholders then holding ..... the provisions of any unanimous shareholders' agreement;
  - (c) The number of shareholders in the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after the termination of that employment to be shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder;
  - (d) Any invitation to the public to subscribe for securities of the Corporation is prohibited;
  - (e) The Board of Directors may from time to time, in such amounts and on such terms as it deems expedient:

- (i) borrow money on the credit of the Corporation;
- (ii) issue, sell or pledge debt obligations (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Corporation;
- (iii) charge, mortgage, hypothecate or pledge all or any of the currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertaking, to secure any debt obligations or any money borrowed or other debt or liability of the Corporation;

The Board of directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the Board all or any of the powers conferred on the Board above to such extent and in such manner as the Board shall determine at the time of each such delegation; This paragraph is in addition to, and not in substitution of any provision contained in The Canada Business Corporations Act;

- (f) The directors, before allotting any shares, shall first offer the shares to be allotted pro rata to the persons holding shares of the class proposed to be allotted and if any shares remain the directors shall then offer the remaining shares pro rata to the other shareholders;
- (g) The Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation and such lien may be enforced in the manner from time to time provided for in the Corporation's by-laws;
- (h) All by-laws and any amendments thereto shall be introduced and passed by the shareholders;
- (i) Directors shall own ..... common shares in their own right in order to qualify as a director;
- (j) There shall be cumulative voting for directors;
- (k) Any vacancy in the Board of Directors (other than those arising from an increase in the Board) shall only be filled by the shareholders;
- (l) any vacancy in the auditors shall be filled by the shareholders;
- (m) a special resolution shall require three-fourths vote of the shareholders;

Date	Signature	Description of Office—Description du poste
<i>For Departmental use only</i>		<i>A l'usage du Ministère Seulement</i>
Corporation No.—No de la corporation		Filed—Déposée

\*\*Draft of Melville Neuman, Q.C., of Newman, MacLean as tentatively approved by the Department.



**FORM 12**  
**Certificate of Continuance**

**Canada Business  
 Corporations Act**

**FORMULE 12**  
**Certificat de continuation**

**Loi sur les corporations  
 commerciales canadiennes**

**ABC Limited**

Name of Corporation - Nom de la corporation

Number - Numéro

I hereby certify that the above-mentioned Corporation was continued under Section 181 of the Canada Business Corporations Act as set out in the attached articles of Continuance.

Je certifie par les présentes que la corporation mentionnée ci-haut a été continuée en vertu de l'article 181 de la Loi sur les corporations commerciales canadiennes, tel qu'indiqué dans les statuts de continuation ci-joints.

Director - Directeur

Date of Continuance - Date de la continuation



**FORM 13**  
**Certificate of Discontinuance**  
  
Canada Business  
Corporations Act

**FORMULE 13**  
**Certificat de discontinuation**  
  
Loi sur les corporations  
commerciales canadiennes

\_\_\_\_\_  
Name of Corporation - Nom de la corporation

\_\_\_\_\_  
Number - Numéro

I hereby certify that the above-mentioned Corporation was discontinued under Section 182 of the Canada Business Corporations Act and continued under the laws of another jurisdiction as specified in the attached notice.

Je certifie par les présentes que la corporation mentionnée ci-haut a été discontinuée en vertu de l'article 182 de la Loi sur les corporations commerciales canadiennes, et continuée en vertu des lois d'une autre juridiction, laquelle est spécifiée dans l'avis ci-joint.

\_\_\_\_\_  
Director - Directeur

\_\_\_\_\_  
Date of Discontinuance - Date de la discontinuation

## Example 5

**CANADA BUSINESS CORPORATIONS ACT**  
**NOTICE OF REGISTERED OFFICE**  
**OR NOTICE OF CHANGE OF REGISTERED**  
**OFFICE**  
**FORM 3**  
**INSTRUCTIONS**

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

Complete only in case of a change of registered office.

**Item 3**

Set out in full the address at which the registered office is to be situated or to which it is to be changed.

**Item 4**

State the date when the change of registered office is to take effect. If a new incorporation state "N/A".

**Item 5**

Set out the previous address of the registered office immediately before the change of address of the registered office. If a new incorporation state "N/A".


**Signature**

A director or authorized officer of the corporation shall sign the notice. If a new incorporation, an incorporator shall sign the notice.

**Service of Documents**

Note that documents may be sent to or served upon the corporation at its registered office under section 247 of the Act.

Completed documents in duplicate are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

**LOI SUR LES CORPORATIONS**  
**COMMERCIALES CANADIENNES**  
**AVIS DU SIÈGE SOCIAL**  
**OU AVIS DE CHANGEMENT DU SIÈGE SOCIAL**  
**FORMULE 3**  
**INSTRUCTIONS**

**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la corporation.

**Rubrique 2**

A compléter seulement pour un avis de changement du siège social.

**Rubrique 3**

Indiquer l'adresse complète où doit être situé le siège social ou à laquelle il doit être changé.

**Rubrique 4**

Indiquer la date à laquelle le changement du siège social doit prendre effet. S'il s'agit d'une nouvelle corporation, indiquer "N/A".

**Rubrique 5**

Indiquer l'adresse précédente du siège social au moment du changement d'adresse de ce dernier. S'il s'agit d'une nouvelle corporation, indiquer "N/A".


**Signature**

Un administrateur ou un dirigeant autorisé de la corporation doit signer l'avis. S'il s'agit d'une nouvelle incorporation, un fondateur doit signer l'avis.

**Envoi des documents**

Noter que les documents peuvent être envoyés ou signifiés à la corporation à son siège social en vertu de l'article 247 de la Loi.

Les documents complétés en duplicata doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et corporations    Consumer and Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS  
CORPORATIONS ACT



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES

FORM 3

FORMULE 3

NOTICE OF REGISTERED OFFICE OR  
NOTICE OF CHANGE OF REGISTERED OFFICE  
(SECTION 19)

AVIS DU LIEU DU SIÈGE SOCIAL  
OU AVIS DE CHANGEMENT DU LIEU DU SIÈGE SOCIAL  
(ARTICLE 19)

1 - Name of Corporation - Nom de la corporation

2 - Corporation No. - N° de la corporation

ABC Limited

3 - Address of the registered office

Adresse du siège social

Suite 2000,  
1155 Dorchester Blvd. West,  
Montreal, Quebec H3B 3S6

4 - Effective date of change

Date effective du changement

5 - Previous address of the registered office

Adresse précédente du siège social

Date

Signature

Description of Office - Description du poste



## Example 6

## CANADA BUSINESS CORPORATIONS ACT

NOTICE OF DIRECTORS OR  
NOTICE OF CHANGE OF DIRECTORS  
(SECTION 101 OR 108)  
FORM 6  
INSTRUCTIONS

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

Always set out the corporation number when filing a Notice of Change of Directors.

**Item 3, 4 and 5**


With respect to each director

- (a) set out his first given name, initial and family name,
- (b) state his full residential address (not his business address) including the postal code, and
- (c) specify his occupation clearly — e.g. manager, geologist, lawyer.

**Signature**

A director or authorized officer of the corporation shall sign the Notice. If a new incorporation, an incorporator shall sign the notice.

Completed documents in duplicate are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
AVIS DES ADMINISTRATEURS OU  
AVIS DE CHANGEMENT DES ADMINISTRATEURS  
(ARTICLE 101 OU 108)  
FORMULE 6  
INSTRUCTIONS

**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la corporation.

**Rubrique 2**

Toujours indiquer le numéro de la corporation lors de l'envoi d'un avis de changement des administrateurs.

**Rubriques 3, 4 et 5**


En ce qui concerne chaque administrateur

- (a) indiquer son prénom, initiale et nom de famille,
- (b) donner l'adresse complète de sa résidence (non son adresse d'affaire) en incluant le code postal, et
- (c) spécifier clairement son occupation — par exemple, gérant, géologue, avocat.

**Signature**

Un administrateur ou dirigeant autorisé de la corporation doit signer l'avis. S'il s'agit d'une nouvelle incorporation, un fondateur doit signer l'avis.

Les documents complétés en duplicata doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et corporations    Consumer and Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS  
CORPORATIONS ACT  
FORM 6



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
FORMULE 6

NOTICE OF DIRECTORS  
OR NOTICE OF CHANGE OF DIRECTORS  
(SECTION 101 OR 108)

AVIS DES ADMINISTRATEURS  
OU AVIS DE CHANGEMENT DES ADMINISTRATEURS  
(ARTICLE 101 OU 108)

1 - Name of Corporation - Nom de la corporation <b>ABC Limited</b>	2 - Corporation No. - N° de la corporation
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3 - The following persons became directors of this corporation: Les personnes suivantes sont devenues administrateurs de la présente corporation:

Effective Date - Date d'entrée en vigueur

Name - Nom	Residential Address - Adresse résidentielle	Occupation	Citizenship - Citoyenneté
John Doe	123 Peel Street, Montreal, Quebec	Co-Ordinator	Canadian
Robert Brown	789 Eastway Drive, Westmount, Quebec	Accountant	Canadian

4 - The following persons ceased to be directors of this corporation: Les personnes suivantes ont cessé d'être administrateurs de la présente corporation:

Effective Date - Date d'entrée en vigueur (N/A — on incorporation)

Name - Nom	Residential Address - Adresse résidentielle

5 - The directors of this corporation now are: Les administrateurs de la présente corporation sont maintenant:

Name - Nom	Residential Address - Adresse résidentielle	Occupation	Citizenship - Citoyenneté
John Doe	123 Peel Street, Montreal, Quebec	Co-Ordinator	Canadian
Robert Brown	789 Eastway Drive, Westmount, Quebec	Accountant	Canadian

Date	Signature	Description of Office - Description du poste <b>President (Incorporator — on incorporation)</b>
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**Example 7a**

## ONE CLASS OF SHARES

## COMMON SHARES WITHOUT NOMINAL OR PAR VALUE \*\*

The said shares shall be subject to the following rights, privileges, restrictions and conditions namely:

- (a) The shares shall entitle their respective holders to participate *pari passu* in any surplus or profit;
- (b) The holders of shares shall be entitled to one vote for each share held by them at all shareholders meetings and they shall be entitled to notice of all meetings of shareholders of the Corporation;

\*\*Draft of Melville Neuman, Q.C., of Newman, MacLean as tentatively approved by the Department.

Example 7b

COMMON VOTING	)		
COMMON NON-VOTING	)	all without nominal or par value	
CLASS "A"	)		**
CLASS "B"	)		

The said shares shall be subject to the following rights, privileges, restrictions and conditions namely:

- (a) the holders of Class "A" shares shall in each fiscal year of the Corporation in the discretion of the directors but always in preference and priority to any payment of dividends on the Class "B" shares and common shares (whether voting or non-voting) in such year, be entitled out of any or all profits or surplus available for dividends, to non-cumulative dividends at the rate of ..... cents per annum on such Class "A" shares and no more;
- (b) whenever in any fiscal year of the Corporation dividends shall have been paid on the Class "A" shares in accordance with clause (a) hereof, all additional dividends paid or declared and set aside for payment in such fiscal year shall be paid firstly on the Class "B" shares until dividends aggregating ..... cents per share on the Class "B" shares then outstanding have been paid and then any additional dividends shall be set aside for payment on the common shares until the common shares then outstanding shall have received ..... cents per share and any additional dividends shall be paid on the Class "B" shares until they receive that fraction of profits properly available for payment of dividends that the number of Class "B" shares then outstanding bear to the total number of Class "B" shares and common shares then outstanding and the balance shall in the discretion of the directors be paid on common shares or set aside for future payment on common shares at the discretion of the board of directors. Any monies set aside for future payment on common shares as provided in this clause (b) shall no longer be considered in computing profits properly available for payment of dividends insofar as Class "B" shares are concerned;
- (c) In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Class "A" shares shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of the Class "B" shares or common shares, (whether voting or non-voting) an amount equal to the sum of \$1.00 per share and any dividends declared thereon and unpaid;
- (d) subject to the prior rights of the holders of Class "A" shares, on the dissolution of the Corporation, the Class "B" shares, shall be

\*\*Draft of Melville Neuman, Q.C., of Newman, MacLean as tentatively approved by the Department.

entitled to receive an amount equal to the sum of \$1.00 per share and all declared dividends which have not then been paid thereon in priority to any payment on the common shares, and after the holders of the common shares shall have received a similar amount per share and all dividends declared thereon and unpaid and all monies set aside for payment of dividends on common shares, the holders of the Class "B" shares and the holders of the common shares shall participate in equal amounts per share without preference or priority;

- (e) the Corporation may redeem the whole or any part of the Class "A" shares and Class "B" shares on payment for each share to be redeemed of the sum of \$1.00 per share together with all dividends declared thereon and unpaid, but the Corporation may not redeem any Class "A" shares or Class "B" shares without the consent in writing of the holders thereof;
- (f) the Corporation shall have the right at any time and from time to time to purchase for cancellation the whole or any part of the Class "A" shares and Class "B" shares pursuant to tenders received;
- (g) subject to the provisions of the Canada Business Corporations Act, any holder of Class "A" shares may require that the Corporation redeem all or any part of such shares upon payment of each share to be redeemed of the sum of \$1.00 per share together with all dividends declared thereon and unpaid;
- (h) except as set out in paragraph (1) and subject to the Canada Business Corporations Act, the holders of the Class "B" shares and the holders of non-voting common shares shall not, as such have any voting rights for the election of directors or for any other purpose nor shall they be entitled to notice of or to attend shareholders' meetings; the holders of the voting common shares shall be entitled to one vote for each such share held by them at all shareholders' meetings; Class "A" shares shall entitle the holders thereof to fifty votes per share;
- (i) subject to the provisions of the Canada Business Corporations Act, the provisions contained in the foregoing paragraphs (a) to (h) and in this paragraph (i) shall not be repealed, modified or altered, nor shall any other classes of shares be created unless effected by special resolution of the Corporation duly passed and sanctioned as then required by law and in addition approved by at least two-thirds of the votes cast at a special general meeting of each class of shares and separate meetings shall be held with respect to each such class or in lieu of such meetings approved in writing by the holders of all outstanding shares in the Corporation;

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\*\*Draft of Melville Neuman, Q.C., of Newman, MacLean as tentatively approved by the Department.

Example 8

**SCHEDULE 1  
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLES OF INCORPORATION  
FORM 1  
INSTRUCTIONS**

**Formal**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out a proposed corporate name that complies with ss. 10 and 12 of the Act. If a proposed corporate name has not been reserved under s. 11 of the Act, the Articles of Incorporation must be accompanied by a Request for Name Reservation (Form 23).

**Item 2**

Set out the name of the place and province within Canada where the registered office is to be situated. A specific street address is not required, but a post office box number alone is not sufficient.

**Item 3**

Set out the details required by paragraph 6(1)(c) of the Act, including details of the rights, privileges, restrictions and conditions attached to each class of shares. All shares must be without nominal or par value and must comply with the provisions of Part V of the Act.

**Item 4**

If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

**Item 5**

State the number of directors, if cumulative voting is permitted the number of directors must be invariable, otherwise it is permissible to specify a minimum and maximum number of directors.

**Item 6**

If restrictions are to be placed on the business the corporation may carry on, set out the restrictions.

**Item 7**

Set out any provisions permitted by the Act or Regulations to be set out in the by-laws of the corporation or a unanimous shareholder agreement that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

**Item 8**

Each incorporator must state his name, residential address and affix his signature. If an incorporator is a body corporate, the name shall be the name of the body corporate, the address shall be that of its registered office, and the Articles shall be signed by a person authorized by the body corporate.

**Other Documents**

The Articles must be accompanied by a Notice of Registered Office (Form 3) and a Notice of Directors (Form 6). Note that a Form 6 must be sent to the Director within 15 days of any change of directors in accordance with ss. 108(1) of the Act.

**Other Notices**

if a proposed corporation is to engage in

- (a) the construction or operation of a pipeline for the transmission of oil or gas as defined in the National Energy Board Act,
  - (b) the construction or operation of a commodity pipeline as defined in the National Transportation Act,
  - (c) the business of a money lender within the meaning of the Small Loans Act, or
  - (d) the business of an investment company within the meaning of the Investment Companies Act
- the incorporators shall inform the minister of the department or agency that regulates such business.

Completed documents in duplicate and fees payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
Consumer and Consommation et  
Corporate Affairs corporations  
Place du Portage,  
Ottawa/Hull, Canada,  
K1A 0G3.

**ANNEXE 1  
LOI SUR LES CORPORATIONS COMMERCIALES  
CANADIENNES**

**STATUTS D'INCORPORATION  
FORMULE 1  
INSTRUCTIONS**

**Formal**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les Corporations Commerciales Canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer un nom corporatif proposé lequel doit être conforme aux articles 10 et 12 de la Loi. Lorsqu'un nom corporatif n'a pas été réservé conformément à l'article 11 de la Loi, les statuts d'incorporation doivent être accompagnés d'une demande de réservation de nom (Formule 23).

**Rubrique 2**

Indiquer le nom de l'endroit et de la province au Canada où le siège social doit être situé. Une adresse précise n'est pas requise, mais un numéro de boîte postale seul n'est pas suffisant.

**Rubrique 3**

Indiquer les détails requis par le paragraphe 6(1)(c) de la Loi, y compris les détails des droits, privilèges, restrictions et conditions attachés à chaque catégorie d'actions. Toutes les actions doivent être sans valeur nominale ou sans valeur au pair et doivent être conformes aux dispositions de la Partie V de la Loi.

**Rubrique 4**

Si le droit de transfert des actions de la corporation doit être restreint, indiquer une déclaration à cet effet et la nature de ces restrictions.

**Rubrique 5**

Indiquer le nombre d'administrateurs. S'il est prévu un vote cumulatif, ce nombre doit être fixe; autrement, il est permis de spécifier un nombre minimum et maximum d'administrateurs.

**Rubrique 6**

Si des restrictions doivent être imposées quant aux entreprises que la corporation peut exploiter, indiquer les restrictions.

**Rubrique 7**

Indiquer les dispositions que la Loi ou les Règlements permettent d'énoncer dans les règlements de la corporation ou une convention unanime des actionnaires et qui doivent faire partie des statuts, incluant les droits de préemption ou dispositions relatives au vote cumulatif.

**Rubrique 8**

Chaque fondateur doit donner son nom, l'adresse de sa résidence et apposer sa signature. Si un fondateur est une personne morale, le nom doit être celui de la personne morale, l'adresse doit être celle de son siège social, et les statuts doivent être signés par une personne autorisée de la personne morale.

**Autres documents**


Les statuts doivent être accompagnés d'un avis du lieu du siège social (Formule 3) et d'une liste des administrateurs (Formule 6). Noter qu'une Formule 6 doit être envoyée au Directeur dans les quinze (15) jours de tout changement dans le nombre d'administrateurs conformément au paragraphe 108(1) de la Loi.

**Autres avis**

- Si la corporation projetée doit s'engager dans
- (a) la construction et l'opération d'un pipe-line pour le transport du pétrole et du gaz, tel que défini dans la Loi sur la Commission Nationale de l'Énergie,
  - (b) la construction et l'opération d'un pipe-line pour denrées tel que défini dans la Loi Nationale sur les Transports,
  - (c) le commerce de prêteur d'argent au sens de la Loi sur les petits Prêts, ou
  - (d) le commerce d'une compagnie d'investissement au sens de la Loi sur les sociétés d'investissement
- les fondateurs doivent informer le Ministre du ministère ou agence qui réglemente ces entreprises.

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
Consommation et Consumer and  
Corporate Affairs corporations  
Place du Portage,  
Ottawa/Hull, Canada,  
K1A 0G3.

CANADA BUSINESS CORPORATIONS ACT FORM 1 ARTICLES OF INCORPORATION (SECTION 6)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES FORMULE 1 STATUTS D'INCORPORATION (ARTICLE 6)
1 - Name of Corporation <b>XYZ LIMITED</b>	Nom de la corporation	
2 - The place in Canada where the registered office is to be situated <b>Urban Montreal</b>	Lieu au Canada où doit être situé le siège social	
3 - The classes and any maximum number of shares that the corporation is authorized to issue <b>common shares</b>	Catégories et tout nombre maximal d'actions que la corporation est autorisée à émettre	
4 - Restrictions if any on share transfers <b>n/a</b>	Restrictions sur le transfert des actions, s'il y a lieu	
5 - Number (or minimum and maximum number) of directors <b>1</b>	Nombre (ou nombre minimum et maximum) d'administrateurs	
6 - Restrictions if any on business the corporation may carry on <b>n/a</b>	Restrictions imposées quant aux entreprises que la corporation peut exploiter, s'il y a lieu	
7 - Other provisions if any <b>Holders of the common shares are entitled to vote at all meetings of shareholders and to receive the remaining property of the corporation.</b>	Autres dispositions s'il y a lieu	
<b>8 - Incorporators</b> <b>Fondateurs</b>		
Names - Noms	Address (include postal code) Adresse (inclure le code postal)	Signature
<b>David Black</b>	<b>1234 Guy Street, Montreal, Quebec</b>	
FOR DEPARTMENTAL USE ONLY Corporation No. - No de la corporation		À L'USAGE DU MINISTÈRE SEULEMENT Filié - Déposé



**FORM 2**  
**Certificate of Incorporation**

**Canada Business  
Corporations Act**

**FORMULE 2**  
**Certificat d'incorporation**

**Loi sur les corporations  
commerciales canadiennes**

**XYZ LIMITED**

Name of Corporation – Nom de la corporation

Number – Numéro

I hereby certify that the above-mentioned Corporation, the Articles of Incorporation of which are attached, was incorporated under the Canada Business Corporations Act.

Je certifie par les présentes que la corporation mentionnée ci-haut, dont les statuts d'incorporation sont joints, a été constituée en corporation en vertu de la Loi sur les corporations commerciales canadiennes.

Director – Directeur

Date of Incorporation – Date d'incorporation



## Example 9

## CANADA BUSINESS CORPORATIONS ACT

REQUEST FOR NAME RESERVATION  
FORM 23  
INSTRUCTIONS**Items 1, 2 and 3**

Set out the name of any legal firm, the name of the lawyer or employee responsible to process the Request, and the address and phone number of the firm (indicate area code and any extension number).

**Item 4**

Set out the proposed names in the order of your preference. If more than one Request is sent to the Director a separate fee must be paid in respect of each Request. If more than 3 names are required to be searched, one or more additional Requests must be sent to the Director and a fee paid in respect of each Request.

**Item 5**

If this replaces a name previously requested indicate whether the previous name was submitted as a name reservation only or with articles and state the previous name.

**Item 6**

State details of the nature of the business, describing the industrial sector, the actual functions and the products and services of the corporation. Indicate the industrial sector as specifically as possible by reference to the S.I.C. Code or to the Statistics Canada Standard Industrial Classification Manual.

**Item 7**

Show the derivation of the distinctive element of the name; e.g., "O.E.D." derived from Quéneau, Edwards and Dorion.

**Items 8, 9 and 10**

Indicate proposed use of name and name of any holding body corporate of a new corporation.

**Item 11**

Set out the name of any individual, body corporate or firm required to consent to the name under s. 21, s. 24 or s. 25 of the Regulations.

**Item 12**

Give details of any similar trade names or trade marks used by the applicant body corporate.

**Other Documents**

The Request must be accompanied by any consent referred to in Item 11.


**Caution**

An indication that a name appears to be available at this time is not to be construed as an undertaking that the said name will be granted if and when a formal application is made. It is only a tentative indication that the name might be available at the time of the issue of the certificate of incorporation. If any printing or other use of the name is made in advance, it will be done entirely at the risk of the applicants.

Where applicants are to accept full responsibility for risk of confusion with other names, acceptance of such responsibility will comprise an obligation to change the name to a dissimilar one in the event that representations are made and established that confusion occurs. Errors and omissions excepted.

The use of any name granted is subject to any laws of the jurisdiction where the company carries on business.

Completed document in duplicate and applicable fee for each Request form, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et  
 Place du Portage,    corporations  
 Ottawa/Hull, Canada,  
 K1A 0G9.

LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
DEMANDE DE RÉSERVATION D'UN NOM  
FORMULE 23  
INSTRUCTIONS**Rubriques 1, 2 et 3**

Indiquer le nom de l'étude légale, le nom de l'avocat ou de l'employé responsable de la demande de réservation du nom, et l'adresse et le numéro de téléphone de l'étude (indiquer le code régional et le numéro d'extension).

**Rubrique 4**

Indiquer les noms proposés par ordre de préférence. Si plus d'une demande est envoyée au Directeur le droit doit être payé en regard de chaque demande. Si une recherche doit être faite pour plus de trois (3) noms, une ou plusieurs demandes additionnelles doivent être envoyées au Directeur et un droit payé à l'égard de chaque demande.

**Rubrique 5**

S'il s'agit d'une demande pour un nom précédemment demandé, indiquer si le nom précédent a été soumis lors d'une réservation de nom seulement ou avec des statuts et donner le nom précédent.

**Rubrique 6**

Donner les détails de la nature des entreprises en décrivant le secteur industriel, les opérations actuelles et les produits et services vendus par la corporation, indiquer le secteur industriel le plus spécifiquement possible en référant au Code S.I.C. ou au Manuel de classification des activités économiques de Statistique Canada.

**Rubrique 7**

Montrer la dérivation de l'élément distinctif du nom; par exemple, "T.C.M." dérivé de Tanquay, Côté et Masson.

**Rubriques 8, 9 et 10**

Indiquer l'utilisation projetée du nom et le nom de toute personne morale mère de la nouvelle corporation.

**Rubrique 11**

Indiquer le nom de tout individu, personne morale ou firme dont le consentement est requis pour l'octroi du nom en vertu des articles 21, 24 ou 25 des Réglements.

**Rubrique 12**

Donner les détails de tout nom commercial ou marque de commerce semblable utilisée par la personne morale demanderesse.

**Autres documents**

La demande doit être accompagnée de tout consentement mentionné à la Rubrique 11.


**Attention**

Toute indication qu'un nom corporatif semble en ce moment disponible ne doit pas être considérée comme un engagement de notre part à accorder ledit nom si une demande formelle devait par la suite nous être présentée. Un tel avis ne sert qu'à établir la disponibilité probable du nom suggéré à la date de l'émission du certificat d'incorporation. Si les promoteurs de la compagnie projetée ou les requérants font des dépenses d'imprimerie ou autres avant confirmation officielle, ils le font à leur propre risque.

Quand un nom est accordé à la condition que les requérants soient prêts à assumer toute responsabilité pour risque de confusion avec les noms d'autres compagnies, cette acceptation de responsabilité comprend l'obligation de changer le nom de la compagnie en un nom différent advenant le cas où des représentations sont faites établissant qu'il y a confusion. Saut erreurs et omissions.

L'utilisation de tout nom octroyé est sujette à toute loi de la juridiction où la corporation exploite son entreprise.

Les documents complétés en duplicata et le droit applicable pour chaque formule de demande, payable au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et Consumer and  
 corporations    Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

CANADA BUSINESS  
CORPORATIONS ACT  
FORM 23



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
FORMULE 23

REQUEST FOR NAME RESERVATION  
(SECTION 11)

DEMANDE DE RÉSERVATION D'UN NOM  
(ARTICLE 11)

Name and Address of Legal Firm - Nom et adresse de l'étude légale  
**Messrs. Hill, Douglas & Reiner,  
 c/o Mr. Reiner,  
 151 Carleton Street,  
 Ottawa, Ontario.**

4 - Proposed name or names in order of preference  
 Nom(s) proposé(s) par ordre de préférence  
**Singleton-Boch Canada Ltd.**

2. **Singleton-Boch of Canada Ltd.**

3.

5 - In lieu of ...  
 Au lieu de ...

Name previously submitted  
 Nom soumis précédemment

Name submitted with Articles  
 Nom soumis avec les statuts

Previous Name - Nom précédent

6 - Nature of business (details of functions, products, services) - Nature des entreprises (détails des fonctions, produits, services)

**To manufacture, import and export all wares.**

7 - Derivation of Name (Origin of distinctive feature in name such as initials, coined word, etc...) -  
 Dérivation du nom (Origine de l'élément distinctif du nom tel qu'initiales, mot fabriqué, etc...)

**Singleton Inc., Ontario company / Boch: individual's surname**

8 -  New Corporation nouvelle  
 9 - If change of name of existing federal Corporation give present name  
 S'il s'agit d'une modification du nom d'une corporation fédérale existante donner le nom actuel

10 - Name and address of holding body corporate (if applicable)  
 Lorsqu'applicable, les nom et adresse de la personne morale mère

11 - Consent of other individual, body corporate or firm. Give name and address of consenting person.  
 Consentement d'une autre personne, personne morale ou firme. Donner les nom et adresse de la personne consentante.

**Singleton Incorporated (Ontario)  
 282 Weston  
 Downsview, Ontario**

**Friedrich Boch (individual)  
 6234 Bad Ems  
 W. Germany**

12 - Similar trade names and trade marks used by applicant Noms commerciaux et marques de commerce semblables utilisés par le demandeur	Date of Registration Date d'enregistrement	Length of time in use Période d'utilisation
N/A		

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Names reserved until ... (specify date)  
 Noms réservés jusqu'à ... (spécifier la date)

1 -  7/1/76    2 -  7/1/76    3 -

For Director - Pour le directeur  
**J. Hughson**

See attached letter if name not reserved.  
 Voir lettre attachée si le nom n'est pas réservé.

Date received / Date de réception: **9/10/75**    Request received by / Demande reçue par:

**Caution**  
 Name Reservations are granted in accordance with the conditions on the reverse side hereto.

**Attention**  
 Les réservations de nom sont accordées conformément aux conditions énoncées au verso.

**Example 10****Special Resolution authorizing amendment to articles**

## RESOLVED THAT:

1. The articles of ABC Limited (the "Corporation") be amended as follows:
  - (a) Paragraph 5 of the Articles be amended by providing that the number of directors shall be not less than 2 nor more than 5.
  - (b) Paragraph 7 of the Articles be amended by adding thereto the following:
    - "7.A. The directors may appoint officers from time to time provided that any such appointment is previously authorized by shareholders of the Corporation representing at least 75% of the outstanding shares of the Corporation."
2. Any officer or director of the Corporation be authorized to sign and execute all documents including articles of amendment and to do all things necessary and advisable to implement this resolution.
3. The directors of the Corporation are hereby authorized to revoke this resolution before it is acted upon without further approval of the shareholders.

## Example 11



## CANADA BUSINESS CORPORATIONS ACT

ARTICLES OF AMENDMENT  
FORM 4  
INSTRUCTIONS**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.


**General**

- (1) Any change in the Articles of the corporation must be made in accordance with section 27 or 171 of the Act. If an amendment is to change a corporate name, the new name must comply with sections 10 and 12 of the Act. Where the new name has not been reserved under section 11 of the Act, the Articles of Amendment must be accompanied by a Request for Name Reservation (Form 23).
- (2) Each amendment must correspond to the paragraph and subparagraph references of the Articles being amended.
- (3) A director or authorized officer of the corporation shall sign the Articles.
- (4) Articles of Amendment designating a series of shares shall be accompanied by a copy of the directors' resolution authorizing the issue of a series of shares under section 27 of the Act.
- (5) Articles of Amendment, except Articles referred to in (4) above, shall be accompanied by a copy of the authorizing special resolution required under section 170 of the Act.

**Other Notices**

If applicable, the Articles must be accompanied by a copy of a Notice of Change of Registered Office (Form 3) or Notice of Change of Directors (Form 6).

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs  
 Consommation et  
 corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
STATUTS DE MODIFICATION  
FORMULE 4  
INSTRUCTIONS**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements établis en vertu de la Loi.


**Généralités**


- (1) Tout changement dans les statuts de la corporation doit être fait conformément aux articles 27 ou 171 de la Loi. Si une modification affecte le nom corporatif, le nouveau nom doit se conformer aux articles 10 et 12 de la Loi. Lorsque le nouveau nom n'a pas été réservé en vertu de l'article 11 de la Loi, les statuts de modification doivent être accompagnés d'une demande de réservation de nom (Formule 23).
- (2) Chaque modification doit correspondre aux références des alinéas et sous-alinéas des statuts qu'on modifie.
- (3) Un administrateur ou dirigeant autorisé de la corporation doit signer les statuts.
- (4) Les statuts de modification désignant une série d'actions doivent être accompagnés d'une copie de la résolution des administrateurs autorisant l'émission d'une série d'actions en vertu de l'article 27 de la Loi.
- (5) Les statuts de modification, autres que ceux mentionnés au paragraphe (4) ci-dessus, doivent être accompagnés d'une copie de la résolution spéciale requise en vertu de l'article 170 de la Loi.

**Autres avis**

Lorsqu'applicable, les statuts doivent être accompagnés d'une copie de l'avis de changement de siège social (Formule 3) ou de l'avis de changement des administrateurs (Formule 6).

Les documents complétés en duplicata et les droits payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et  
 Consumer and  
 Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS CORPORATIONS ACT FORM 4 ARTICLES OF AMENDMENT (SECTION 27 OR 171)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES FORMULE 4 STATUTS DE MODIFICATION (ARTICLE 27 OU 171)
1 - Name of Corporation - Nom de la corporation <b>XYZ LIMITED</b>		2 - Corporation No. - No de la corporation
3 - The articles of the above-named corporations are amended as follows:		Les statuts de la corporation ci-haut mentionnée sont modifiés de la façon suivante:
<p>Paragraph 5: The number of directors shall be not less than 2 not more than 5.</p> <p>Paragraph 7A: The directors may appoint officers from time to time provided that any such appointment is previously authorized by shareholders of the Corporation representing at least 75% of the outstanding shares of the Corporation.</p>		
Date <b>October 15, 1975.</b>	Signature	Description of Office - Description du poste <b>President</b>
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		Filed - Déposée



**FORM 5  
Certificate of Amendment**

**Canada Business  
Corporations Act**

**FORMULE 5  
Certificat de modification**

**Loi sur les corporations  
commerciales canadiennes**

**XYZ LIMITED**

Name of Corporation - Nom de la corporation

Number - Numéro

I hereby certify that the Articles of the above-mentioned Corporation were amended

Je certifie par les présentes que les statuts de la corporation mentionnée ci-haut ont été modifiés

(a) under Section 13 of the Canada Business Corporations Act in accordance with the attached notice;

(a) en vertu de l'article 13 de la Loi sur les corporations commerciales canadiennes conformément à l'avis ci-joint;

(b) under Section 27 of the Canada Business Corporations Act as set out in the attached Articles of Amendment designating a series of shares;

(b) en vertu de l'article 27 de la Loi sur les corporations commerciales canadiennes tel qu'indiqué dans les statuts de modification ci-joints désignant une série d'actions;

(c) under Section 171 of the Canada Business Corporations Act as set out in the attached Articles of Amendment;

(c) en vertu de l'article 171 de la Loi sur les corporations commerciales canadiennes tel qu'indiqué dans les statuts de modification ci-joints;

(d) under Section 185 of the Canada Business Corporations Act as set out in the attached Articles of Reorganization.

(d) en vertu de l'article 185 de la Loi sur les corporations commerciales canadiennes tel qu'indiqué dans les statuts de réorganisation ci-joints.

Director - Directeur

Date of Amendment - Date de la modification

## Example 12

**CANADA BUSINESS CORPORATIONS ACT**  
**ARTICLES OF REORGANIZATION**  
**FORM 14**  
**INSTRUCTIONS**

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**General**

- (1) This document shall set out the amendments to the Articles of Incorporation in accordance with the court order pursuant to section 185.
- (2) Any amendment shall conform and have continuity with the paragraph and subparagraph references of the existing Articles.

**Signature**


A director or officer authorized by the corporation or the court shall sign the Articles.

**Other Documents**

The Articles must be accompanied by

- (a) a copy of the court order, and
- (b) if applicable, a Notice of Change of Registered Office (Form 3) and Notice of Change of Directors (Form 6).

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et Corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

**LOI SUR LES CORPORATIONS**  
**COMMERCIALES CANADIENNES**  
**STATUTS DE RÉORGANISATION**  
**FORMULE 14**  
**INSTRUCTIONS**

**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Généralités**

- (1) Ce document doit indiquer les modifications des statuts d'incorporation conformément à l'ordonnance de la cour émise en vertu de l'article 185 de la Loi.
- (2) Toute modification doit être conforme et correspondre aux références des alinéas et sous-alinéas des statuts existants.

**Signature**


Un administrateur ou dirigeant autorisé par la corporation ou la cour doit signer les statuts.

**Autres documents**

Les statuts doivent être accompagnés

- (a) d'une copie de l'ordonnance de la cour, et
- (b) lorsqu'applicable, d'un avis de changement du siège social (Formule 3) et d'un avis de changement des administrateurs (Formule 6).

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et Corporations    Consumer and Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS  
CORPORATIONS ACT  
FORM 14



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
FORMULE 14

ARTICLES OF REORGANIZATION  
(SECTION 185)

STATUTS DE RÉORGANISATION  
(ARTICLE 185)

1 - Name of Corporation - Nom de la corporation

Corporation No. - N° de la corporation

In accordance with the order for reorganization,  
the articles of incorporation are amended as follows:

Conformément à l'ordonnance de réorganisation,  
les statuts d'incorporation sont modifiés comme suit:

Date	Signature	Description of Office - Description du poste
------	-----------	--

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À L'USAGE DU MINISTÈRE SEULEMENT

Filed - Déposé





**FORM 21**  
**Certificate of Revocation of**  
**Intent to Dissolve**

**Canada Business**  
**Corporations Act**

**FORMULE 21**  
**Certificat de révocation de**  
**l'intention de dissolution**

**Loi sur les corporations**  
**commerciales canadiennes**

\_\_\_\_\_  
 Name of Corporation – Nom de la corporation

\_\_\_\_\_  
 Number – Numéro

I hereby certify that the above-mentioned corporation revoked its intent to dissolve as set out in the attached Statement of Revocation of Intent to Dissolve.

Je certifie par les présentes que la corporation mentionnée ci-haut a révoqué son intention de dissolution tel qu'indiqué dans la déclaration de révocation d'intention de dissolution ci-jointe.

\_\_\_\_\_  
 Director – Directeur

\_\_\_\_\_  
 Effective Date – Date d'entrée en vigueur

Example 13

CANADA BUSINESS CORPORATIONS ACT



LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES

RESTATED ARTICLES OF INCORPORATION  
FORM 7  
INSTRUCTIONS

STATUTS D'INCORPORATION REFORMULÉS  
FORMULE 7  
INSTRUCTIONS

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**General**

Restated Articles of Incorporation shall set out without substantive change the Articles of Incorporation as previously amended.

**Item 1**

Set out the full legal name of the corporation and the corporation number.

**Item 2**

Set out the name of the place and province within Canada where the registered office is to be situated. A specific street address is not required, but a post office box is not sufficient.

**Item 3**

Set out the details required by paragraph 6(1)(c) of the Act, including details of the rights, privileges, restrictions and conditions attached to each class of shares. All shares must be without nominal or par value and must comply with the provisions of Part V of the Act.

**Item 4**

If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

**Item 5**

State the number of directors, if cumulative voting is permitted the number of directors must be invariable, otherwise it is permissible to specify a minimum and maximum number of directors.

**Item 6**

If restrictions are to be placed on the business the corporation may carry on, set out the restrictions.

**Item 7**

Set out any provisions permitted by the Act or Regulations to be set out in the by-laws of the corporation or a unanimous shareholder agreement that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

**Signature**

A director or authorized officer of the corporation shall sign the Restated Articles.

**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Généralités**

Les statuts d'incorporation reformulés doivent indiquer sans modification substantive les statuts d'incorporation tels que modifiés au préalable.

**Rubrique 1**

Indiquer au complet le nom légal de la corporation et le numéro de la corporation.

**Rubrique 2**

Indiquer le nom de l'endroit et de la province au Canada où le siège social doit être situé. Une adresse précise n'est pas requise, mais un numéro de boîte postale seul n'est pas suffisant.

**Rubrique 3**

Indiquer les détails requis par l'alinéa 6(1)(c) de la Loi, y compris les détails des droits, privilèges, restrictions, et conditions attachés à chaque catégorie d'actions. Toutes les actions doivent être sans valeur nominale ou sans valeur au pair et doivent être conformes aux dispositions de la Partie V de la Loi.

**Rubrique 4**

Si des restrictions doivent être imposées quant au droit de transférer des actions de la corporation, indiquer une déclaration à cet effet et la nature de ces restrictions.

**Rubrique 5**

Indiquer le nombre d'administrateurs. S'il est prévu un vote cumulatif, ce nombre doit être fixe; autrement, il est permis de spécifier un nombre minimum et maximum d'administrateurs.

**Rubrique 6**

Si des restrictions doivent être imposées quant aux entreprises que la corporation peut exploiter, indiquer les restrictions.

**Rubrique 7**

Indiquer les dispositions que la Loi ou les Règlements permettent d'énoncer dans les règlements de la corporation ou une convention unanime des actionnaires et qui doivent faire partie des statuts, incluant les droits de préemption ou dispositions relatives au vote cumulatif.

**Signature**


Un administrateur ou un dirigeant autorisé de la corporation doit signer les statuts reformulés.

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs  
 Consommation et affaires  
 corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et affaires  
 Consumer and Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

CANADA BUSINESS CORPORATIONS ACT FORM 7 RESTATED ARTICLES OF INCORPORATION (SECTION 174)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES FORMULE 7 REFORMULATION DES STATUTS D'INCORPORATION (ARTICLE 174)
1 - Name of Corporation - Nom de la corporation		Corporation No. - No de la corporation
2 - The place in Canada where the registered office is situated	Lieu au Canada où est situé le siège social	
3 - The classes and any maximum number of shares that the corporation is authorized to issue	Catégories et tout nombre maximal d'actions que la corporation est autorisée à émettre	
4 - Restrictions if any on share transfers	Restrictions sur le transfert des actions s'il y a lieu	
5 - Number (or minimum and maximum number) of directors	Nombre (ou nombre minimum et maximum) d'administrateurs	
6 - Restrictions if any on business the corporation may carry on	Restrictions imposées quant aux entreprises que la corporation peut exploiter, s'il y a lieu	
7 - Other provisions if any	Autres dispositions s'il y a lieu	
The foregoing restated articles of Incorporation correctly set out, without substantive change, the corresponding provisions of the articles of incorporation as amended and supersede the original articles of incorporation.		Cette reformulation des statuts d'incorporation démontre exactement sans changement substantif les dispositions correspondantes des statuts d'incorporation telles que modifiées et remplacent les statuts d'incorporation originaux tels que modifiés.
Date	Signature	Description of Office - Description du poste
FOR DEPARTMENTAL USE ONLY		À L'USAGE DU MINISTÈRE SEULEMENT
		Filed - Dépôté



**FORM 8**  
**Restated Certificate**  
**of Incorporation**  
  
**Canada Business**  
**Corporations Act**

**FORMULE 8**  
**Certificat d'incorporation**  
**reformulé**  
  
**Loi sur les corporations**  
**commerciales canadiennes**

\_\_\_\_\_  
Name of Corporation – Nom de la corporation

\_\_\_\_\_  
Number – Numéro

I hereby certify that the Articles of Incorporation of the above-mentioned Corporation were restated under Section 174 of the Canada Business Corporations Act as set out in the attached Restated Articles of incorporation.

Je certifie par les présentes que les statuts d'incorporation de la corporation mentionnée ci-haut ont été reformulés en vertu de l'article 174 de la Loi sur les corporations commerciales canadiennes, tel qu'indiqué dans les nouveaux statuts d'incorporation ci-joints

\_\_\_\_\_  
Director – Directeur

\_\_\_\_\_  
Effective Date of Restatement  
Date d'entrée en vigueur de la reformulation

**Example 14****Amalgamation Agreement**

This Agreement made this 15th day of April, 1976.

BETWEEN: ABC Limited  
(hereinafter called "ABC")

OF THE FIRST PART

and —

XYZ Limited  
(hereinafter called "XYZ")

OF THE SECOND PART

WHEREAS ABC and XYZ (the "Amalgamating Corporations") are Corporations to which the Canada Business Corporations Act applies;

AND WHEREAS the Amalgamating Corporations have agreed to amalgamate in accordance with the Canada Business Corporations Act on the terms and conditions hereinafter set out.

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement the following terms shall have the following meaning:
  - (a) "Act" means the Canada Business Corporations Act;
  - (b) "Agreement" means this amalgamation agreement;
  - (c) "Certificate of Amalgamation" means the certificate of amalgamation issued pursuant to the Act in respect of the amalgamation herein provided for; and
  - (d) "Corporation" means the corporation continued as a result of the amalgamation of the Amalgamating Corporations herein provided for.
2. The Amalgamating Corporations hereby agree to amalgamate under the provisions of the Act and to continue as one corporation on the terms and conditions hereinafter set out.
3. The name of the Corporation shall be XYZ Limited.
4. The registered office of the Corporation shall be situated in the Municipality of Metropolitan Toronto.

5. The shares of the Corporation shall consist of common shares.
6. The right to transfer shares of the Corporation shall not be restricted.
7. The board of directors of the Corporation shall consist of not less than 1 nor more than 8 directors.
8. There shall be no restriction on the business that the Corporation may carry on.
9. The name and address of each proposed director of the Corporation is as follows:

<i>Name</i>	<i>Residence Address</i>
Georges Parent	1 Albert Street, Montreal, Quebec
Marcel St-Georges	2 Viger Street, Montreal, Quebec
Wayne Roberts	3 Gouin Street, Montreal, Quebec
Gordon Lewis	4 First Avenue, Montreal, Quebec

10. The by-laws of XYZ shall, so far as applicable, be the by-laws of the Corporation until repealed or amended.
11. The issued shares of the Amalgamating Corporations on and from the date of the Certificate of Amalgamation shall be converted into common shares of the Corporation as follows:
  - (a) The issued common shares of ABC shall be converted into issued common shares of the Corporation on the basis of 1 common share of the Corporation for each common share of ABC;
  - (b) The issued common shares of XYZ shall be converted into issued common shares of the Corporation on the basis of 200 common shares of the Corporation for each common share of XYZ.
12. After the issuance of a Certificate of Amalgamation, the shareholders of the Amalgamating Corporation shall surrender their share certificates for cancellation and shall receive certificates for common shares of the Corporation on the basis set forth in paragraph 11 hereof.
13. The Corporation shall possess all the property, rights and privileges and shall be subject to all the liabilities, obligations, contracts, disabilities and debts of the Amalgamating Corporations as such exist immediately before the date of the Certificate of Amalgamation.
14. All rights of creditors against each of the Amalgamating Corporations and all liens upon their assets shall be unimpaired by the amalgamation and all debts, obligations, contracts, liabilities

and duties of each of the Amalgamating Corporations thenceforth attach to the Corporation and may be enforced against it.

- 15. No action or proceeding by or against any of the Amalgamating Corporations shall abate or be affected by the amalgamation.
- 16. This Agreement may be terminated by the directors of either of the Amalgamating Corporations at any time before the issue of a Certificate of Amalgamation on notice to the other notwithstanding approval of the Agreement by the shareholders of all or any of the Amalgamating Corporations.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto under their respective corporate seals attested by the signatures of their proper officers authorized in that behalf.

ABC Limited

XYZ Limited

Per: .....  
*President*

Per: .....  
*President*

Per: .....  
*Secretary*

Per: .....  
*Secretary*

C/S

C/S

**Example 15**

**Special Resolution approving amalgamation**

RESOLVED THAT:

1. The Amalgamation Agreement (The Agreement) dated April 15, 1976 between the Corporation and XYZ Limited providing for their amalgamation under the provisions of the Canada Business Corporations Act be and the same is hereby approved.
2. Any two directors and/or officers of the Corporation be and they are hereby authorized and directed to execute on behalf of the Corporation (whether under corporate seal or otherwise) and to deliver the Agreement subject to such changes thereto as they may approve, the execution of such Agreement by any two directors and/or officers of the Corporation as aforesaid to be conclusive evidence of such approval.
3. Any director or officer of the Corporation is hereby authorized to execute and deliver articles of amalgamation and to sign and execute all documents and to do all things necessary or advisable in connection with the foregoing.



## Example 16

**Statutory Declaration of Solvency under Subsection 179(2)**

CANADA	)	IN THE MATTER OF the Canada Business Corporations Act and the proposed amalgamation of ABC Limited and XYZ Limited
PROVINCE OF QUEBEC	)	
JUDICIAL DISTRICT OF	)	
MONTREAL	)	

I, John Doe, of the Municipality of Urban Montreal, in the Judicial District of Montreal in the Province of Quebec solemnly declare that:

I am the President of ABC limited ("ABC") which corporation proposes to amalgamate with XYZ limited ("XYZ") under the provisions of the Canada Business Corporations Act and as such have reasonable grounds for believing that:

1. ABC is and the Amalgamated Corporation will be able to pay their liabilities as they become due.
2. The realizable value of the assets of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.
3. No creditor of ABC will be prejudiced by the amalgamation.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

SWORN before me at the City )  
of Montreal in the Judicial Dis- )  
trict of Montreal this day of )  
, 1975. )

.....  
*John Doe*

.....  
*A Commissioner, etc.*

Example 17

CANADA BUSINESS CORPORATIONS ACT

ARTICLES OF AMALGAMATION  
FORM 9  
INSTRUCTIONS

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out a proposed name for the amalgamated corporation that complies with ss. 10 and 12 of the Act. If the proposed name is not the name of one of the amalgamating corporations or if the name has not been reserved under s. 11 of the Act, the Articles of Amalgamation must be accompanied by a Request for Name Reservation (Form 23).

**Item 2**

Set out the name of the place and province within Canada where the registered office is to be situated. A specific street address is not required, but a post office box number alone is not sufficient.

**Item 3**

Set out the details required by paragraph 6(1)(c) of the Act, including details of the rights, privileges, restrictions and conditions attached to each class of shares. All shares must be without nominal or par value and must comply with the provisions of Part V of the Act.

**Item 4**

If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

**Item 5**

State the number of directors. If cumulative voting is permitted the number of directors must be invariable, otherwise it is permissible to specify a minimum and maximum number of directors.

**Item 6**

If restrictions are to be placed on the business the corporation may carry on, set out the restrictions.

**Item 7**

Set out any provisions permitted by the Act or Regulations to be set out in the by-laws of the corporation or a unanimous shareholder agreement that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

**Item 8**

Indicate whether the amalgamation is under s. 177 or s. 178 of the Act.


**Item 9**

If an amalgamation is effected under s. 178 of the Act, state the name of the amalgamating corporation the by-laws of which are to be the by-laws of the amalgamated corporation.

**Other Notices and Documents**

- (1) The Articles must be accompanied by a Notice of Registered Office (Form 3), a Notice of Directors (Form 6), and a statutory declaration of a director or authorized officer of each amalgamating corporation in accordance with ss. 179(2) of the Act.
- (2) If an amalgamation is effected under s. 177 of the Act, the Articles must be accompanied by a copy of the amalgamation agreement and a copy of the required special resolution of shareholders of each amalgamating corporation.
- (3) If the amalgamation is effected under s. 178 of the Act, the Articles must be accompanied by a copy of the required directors resolution of each amalgamating corporation.

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Consumption et  
 Corporate Affairs corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

LOI SUR LES CORPORATIONS COMMERCIALES  
CANADIENNES

STATUTS DE FUSION  
FORMULE 9  
INSTRUCTIONS

**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer le nom projeté pour la corporation née de la fusion, lequel doit être conforme aux articles 10 et 12 de la Loi. Lorsqu'un nom corporatif n'est pas le nom d'une des corporations qui fusionnent ou n'a pas été réservé conformément à l'article 11 de la Loi, les statuts d'incorporation doivent être accompagnés d'une demande de réservation de nom (Formule 23).

**Rubrique 2**

Indiquer le nom de l'endroit et de la province au Canada où le siège social doit être situé. Une adresse précise n'est pas requise, mais un numéro de boîte postale seul n'est pas suffisant.

**Rubrique 3**

Indiquer les détails requis par l'alinéa 6(1)(c) de la Loi, y compris les détails des droits, privilèges, restrictions et conditions attachés à chaque catégorie d'actions. Toutes les actions doivent être sans valeur nominale ou sans valeur au pair et doivent être conformes aux dispositions de la Partie V de la Loi.

**Rubrique 4**

Si le droit de transfert des actions de la corporation doit être restreint, indiquer une déclaration à cet effet et la nature de ces restrictions.

**Rubrique 5**

Indiquer le nombre des administrateurs. S'il est prévu un vote cumulé, ce nombre doit être fixe; autrement, il est permis de spécifier un nombre minimum et maximum d'administrateurs.

**Rubrique 6**

Si des restrictions doivent être imposées quant aux entreprises que la corporation peut exploiter, indiquer les restrictions.

**Rubrique 7**

Indiquer les dispositions que la Loi ou les Règlements permettent d'énoncer dans les règlements de la corporation ou la convention unanime des actionnaires et qui doivent faire partie des statuts, incluant les droits de préemption ou dispositions relatives au vote cumulé.

**Rubrique 8**

Indiquer si la fusion est faite en vertu de l'article 177 ou de l'article 178 de la Loi.


**Rubrique 9**


Si la fusion est effectuée en vertu de l'article 178 de la Loi, donner le nom de la corporation fusionnante dont les règlements doivent être les règlements de la corporation née de la fusion.

**Autres avis et documents**

- (1) Les statuts doivent être accompagnés d'un avis du lieu du siège social (Formule 3), d'une liste des administrateurs (Formule 6) et d'une déclaration statutaire d'un administrateur ou dirigeant autorisé de chaque corporation qui fusionne, conformément au paragraphe 179(2) de la Loi.
- (2) Si la fusion est effectuée en vertu de l'article 177 de la Loi, les statuts doivent être accompagnés d'une copie de la convention de fusion et d'une copie de la résolution spéciale requise des actionnaires de chaque corporation qui fusionne.
- (3) Si la fusion est effectuée en vertu de l'article 178 de la Loi, les statuts doivent être accompagnés d'une copie de la résolution requise des administrateurs de chaque corporation qui fusionne.

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et Consumer and  
 corporations Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

CANADA BUSINESS CORPORATIONS ACT FORM 9 ARTICLES OF AMALGAMATION (SECTION 178)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES FORMULE 9 STATUTS DE FUSION (ARTICLE 178)		
1 - Name of Amalgamated Corporation <b>ABC Limited</b>	Nom de la corporation née de la fusion			
2 - The place within Canada where the registered office is to be situated <b>Urban Montreal, Quebec</b>	Lieu au Canada où doit être situé le siège social			
3 - The classes and any maximum number of shares that the corporation is authorized to issue <b>common shares</b>	Catégories et tout nombre maximal d'actions que la corporation est autorisée à émettre			
4 - Restrictions if any on share transfers <b>n/a</b>	Restrictions sur le transfert des actions s'il y a lieu			
5 - Number (or minimum and maximum number) of directors <b>not less than 3 nor more than 3</b>	Nombre (ou nombre minimum et maximum) d'administrateurs			
6 - Restrictions if any on business the corporation may carry on <b>n/a</b>	Restrictions imposées quant aux entreprises que la corporation peut exploiter, s'il y a lieu			
7 - Other provisions if any <b>n/a</b>	Autres dispositions s'il y a lieu			
8 - The amalgamation agreement has been approved by special resolutions of shareholders of each of the amalgamating corporations listed in Item 10 below in accordance with Section 178 of the Canada Business Corporations Act.				
<input checked="" type="checkbox"/> La convention de fusion a été approuvée par résolutions spéciales des actionnaires de chacune des corporations fusionnantes énumérées à la rubrique 10 ci-dessous, en conformité de l'article 178 de la Loi sur les corporations commerciales canadienne.				
The amalgamation has been approved by a resolution of the directors of each of the amalgamating corporations listed in Item 10 below in accordance with Section 178 of the Canada Business Corporations Act. The attached articles of amalgamation set out herein are the same as the articles of incorporation of the amalgamating corporation named in Item 9.				
<input type="checkbox"/> La fusion a été approuvée par résolution des administrateurs de chacune des corporations fusionnantes énumérées à la rubrique 10 ci-dessous en conformité de l'article 178 de la Loi sur les corporations commerciales canadiennes. Les statuts de fusion annexés, et indiqués ici sont les mêmes que les statuts d'incorporation de la corporation fusionnante indiquée à l'Item numéro 9.				
9 - Name of the corporation the by-laws of which are to be the by-laws of the Amalgamated Corporation: <b>XYZ LIMITED</b>				
Nom de la corporation dont les règlements doivent être les règlements de la corporation née de la fusion.				
10 - Name of Amalgamating Corporations Nom des Corporations qui fusionnent	Corporation No. No de la corporation	Signature	Date	Description of Office Description du poste
<b>ABC Limited</b>				<b>President</b>
<b>XYZ Limited</b>				<b>President</b>
FOR DEPARTMENTAL USE ONLY Corporation No. - No de la corporation				
À L'USAGE DU MINISTÈRE SEULEMENT Fild - Dépesse				



**FORM 10**  
**Certificate of Amalgamation**

**FORMULE 10**  
**Certificat de fusion**

**Canada Business**  
**Corporations Act**

**Loi sur les corporations**  
**commerciales canadiennes**

**ABC Limited**

Name of Corporation – Nom de la corporation

Number – Numéro

I hereby certify that the above-mentioned Corporation resulted from the amalgamation of the following Corporations under Section 179 of the Canada Business Corporations Act, as set out in the attached articles of Amalgamation.

Je certifie par les présentes que la corporation mentionnée ci-haut résulte de la fusion des corporations ci-dessous, en vertu de l'article 179 de la Loi sur les corporations commerciales canadiennes, tel qu'indiqué dans les statuts de fusion ci-joints.

Director – Directeur

Date of Amalgamation – Date de fusion

## Example 18

## CANADA BUSINESS CORPORATIONS ACT

ARTICLES OF DISSOLUTION  
FORM 17  
INSTRUCTIONS**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

Always set out the corporation number.

**Item 3**

Check the appropriate case.

**Item 4**

Set out the first given name, initial and family name, occupation and business address of the person who will be liable to produce the documents and records of the dissolved corporation under s. 218 of the Act.

**Signature**


A director or authorized officer of the corporation shall sign the Articles.

**Other Documents**

The Articles of Dissolution must be accompanied by

- (a) a copy of the directors resolution required under ss. 203(1) of the Act where the corporation has not issued any shares, or
- (b) a copy of the shareholders resolution required under ss. 203(2) of the Act where the corporation has no property and no liabilities.

Completed documents in duplicate are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
STATUTS DE DISSOLUTION  
FORMULE 17  
INSTRUCTIONS**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la corporation.

**Rubrique 2**

Toujours indiquer le numéro de la corporation.

**Rubrique 3**

Cocher la case appropriée.

**Rubrique 4**

Indiquer le prénom, les initiales et le nom de famille, l'occupation et l'adresse d'affaire de la personne qui devra produire en vertu de l'article 218 de la Loi les documents et registres de la corporation dissoute.

**Signature**


Un administrateur ou dirigeant autorisé de la corporation doit signer les statuts.

**Autres documents**

Les statuts de dissolution doivent être accompagnés

- (a) d'une copie de la résolution des administrateurs requise en vertu du paragraphe 203(1) de la Loi lorsque la corporation n'a pas émis d'actions, ou
- (b) d'une copie de la résolution des actionnaires requise en vertu du paragraphe 203(2) de la Loi lorsque la corporation n'a ni biens ni passif.

Les documents complétés en duplicata doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et Consumer and  
 corporations    Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS  
CORPORATIONS ACT



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES

FORM 17

FORMULE 17

ARTICLES OF DISSOLUTION  
(SECTION 203)

STATUTS DE DISSOLUTION  
(ARTICLE 203)

1 - Name of Corporation - Nom de la corporation

2 - Corporation No. - N° de la corporation

ABC Limited

2 - The Corporation has

La corporation n'a

not issued any shares  
no properly and no liabilities



émis aucune action  
ni biens, ni passif

4 - Documents and records of the corporation shall be kept for six years  
from the date of dissolution by:

Les documents et les registres de la corporation seront gardés pendant  
une période de six années suivant la date de dissolution par:

R. J. Youngman

Name - Nom

Occupation

R. J. Youngman

solicitor

Address - Adresse

1155 Dorchester Blvd West  
Montreal, Quebec

Date

Signature

Description of Office - Description du poste

President

FOR DEPARTMENTAL USE ONLY

À L'USAGE DU MINISTÈRE SEULEMENT



**FORM 18**  
**Certificate of Dissolution**  
 Canada Business  
 Corporations Act

**FORMULE 18**  
**Certificat de dissolution**  
 Loi sur les corporations  
 commerciales canadiennes

**ABC Limited**

Name of Corporation - Nom de la corporation

Number - Numéro

I hereby certify that the above-mentioned corporation was dissolved under the Canada Business Corporations Act pursuant to

Je certifie par les présentes que la corporation mentionnée ci-haut a été dissoute en vertu de la Loi sur les corporations commerciales canadiennes conformément

(a) Section 203 or 204 as set out in the attached Articles of Dissolution.

(a) aux articles 203 ou 204 tel qu'indiqué dans les statuts de dissolution ci-joints.

(b) Section 205 as indicated in the copy of the attached notice published in the Canada Gazette.

(b) à l'article 205 tel qu'indiqué dans la copie ci-jointe de l'avis publié dans la Gazette du Canada.

(c) Sections 205, 206 or 207 in accordance with the attached court order.

(c) aux articles 205, 206 ou 207 conformément à l'ordonnance de la cour ci-jointe.

Director - Directeur

Date of Dissolution - Date de dissolution

**Example 19**

**CANADA BUSINESS CORPORATIONS ACT**

**STATEMENT OF INTENT TO DISSOLVE  
OR STATEMENT OF REVOCATION  
OF INTENT TO DISSOLVE  
FORM 19  
INSTRUCTIONS**

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

Always set out the corporation number.

**Item 3**

Check Item 3 if the corporation intends to liquidate and dissolve under ss. 204(3) of the Act.

**Item 4**

Check Item 4 if the corporation intends to revoke under ss. 204(10) of the Act a Certificate of Intent to Dissolve issued to it under ss. 204(5) of the Act.


**Signature**

A director or authorized officer of the corporation shall sign the Statement.

**Other Documents**

A statement must be accompanied by a copy of the special resolution required under ss. 204(3) or ss. 204(10) of the Act.

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

**LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
DÉCLARATION DE L'INTENTION  
DE DISSOLUTION  
OU DÉCLARATION DE RÉVOCATION  
DE L'INTENTION DE DISSOLUTION  
FORMULE 19  
INSTRUCTIONS**

**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la corporation.

**Rubrique 2**

Toujours indiquer le numéro de la corporation.

**Rubrique 3**

Cocher la Rubrique 3 si la corporation envisage de procéder à sa liquidation et dissolution en vertu du paragraphe 204(3) de la Loi.

**Rubrique 4**

Cocher la Rubrique 4 si la corporation entend révoquer, en vertu du paragraphe 204(10) de la Loi, un certificat d'intention de dissolution émis en vertu du paragraphe 204(5) de la Loi.


**Signature**

Un administrateur ou dirigeant autorisé de la corporation doit signer la déclaration.

**Autres documents**

La déclaration doit être accompagnée d'une copie de la résolution spéciale requise en vertu des paragraphes 204(3) ou 204(10) de la Loi.

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et corporations    Consumer and Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.



CANADA BUSINESS  
CORPORATIONS ACT  
FORM 19



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
FORMULE 19

STATEMENT OF INTENT TO DISSOLVE  
REVOCATION OF INTENT TO DISSOLVE  
(SECTION 204)

DÉCLARATION D'INTENTION DE DISSOLUTION  
OU DE RÉVOCATION D'INTENTION DE DISSOLUTION  
(ARTICLE 204)

1 - Name of Corporation - Nom de la corporation

2 - Corporation No: - N° de la corporation

ABC Limited

3 - The corporation intends to liquidate and dissolve



La corporation a l'intention de procéder à sa liquidation et dissolution

4 - The corporation revokes its certificate of Intent to Dissolve



La corporation révoque son certificat d'intention de dissolution

Date

Signature

Description of Office - Description du poste

President

FOR DEPARTMENTAL USE ONLY

À L'USAGE DU MINISTÈRE SEULEMENT

Filed - Déposée



**FORM 20**  
**Certificate of Intent**  
**to Dissolve**

Canada Business  
Corporations Act

**FORMULE 20**  
**Certificat d'intention**  
**de dissolution**

Loi sur les corporations  
commerciales canadiennes

**ABC Limited**

Name of Corporation - Nom de la corporation

Number - Numéro

I hereby certify that the above-mentioned Corporation intends to dissolve under Section 204 of the Canada Business Corporations Act as set out in the attached Statement of intent to Dissolve.

Je certifie par les présentes que la corporation mentionnée ci-haut a l'intention de procéder à sa dissolution en vertu de l'article 204 de la Loi sur les corporations commerciales canadiennes tel qu'indiqué dans la déclaration d'intention de dissolution ci-jointe.

Director - Directeur

Date of Intent to Dissolve - Date d'intention de dissolution

## Example 20

## CANADA BUSINESS CORPORATIONS ACT

ARTICLES OF REVIVAL  
FORM 15  
INSTRUCTIONS**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the dissolved body corporate.

**Item 2**

If applicable, always set out the corporation number.

**Item 3**

State the reasons why the body corporate was dissolved, adding specific references where possible to the statutory provision under which it was dissolved.

**Item 4**

State details of your interest in the body corporate and why you seek to have the body corporate revived.


**Item 5**

Set out the first given name, initial and family name of the applicant.

**Item 6**

Set out the business or residential address of the applicant.

Completed documents in duplicate and fees, payable to the Receiver General of Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs    Consommation et corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
STATUTS DE REPRISE D'EXISTENCE  
FORMULE 15  
INSTRUCTIONS**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la personne morale dissoute.

**Rubrique 2**

Lorsqu'applicable, toujours indiquer le numéro de la corporation.

**Rubrique 3**

Donner les raisons pour lesquelles la personne morale a été dissoute, en ajoutant, si possible, les références précises à la disposition statutaire en vertu de laquelle elle a été dissoute.

**Rubrique 4**

Donner les détails de l'intérêt du demandeur dans la personne morale et indiquer pourquoi il recherche la reprise d'existence de la personne morale.


**Rubrique 5**

Indiquer le prénom, les initiales et le nom de famille du demandeur.

**Rubrique 6**

Indiquer l'adresse d'affaires ou résidentielle du demandeur.

Les documents complétés en duplicata et les droits, payables au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et corporations    Consumer and Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0C9.

CANADA BUSINESS  
CORPORATIONS ACT  
FORM 15  
ARTICLES OF REVIVAL  
(SECTION 202)



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
FORMULE 15  
STATUTS DE REPRISE D'EXISTENCE  
(ARTICLE 202)

1 - Name of dissolved body corporate - Nom de la personne morale dissoute <b>ABC Limited</b>	2 - Corporation No. No de la corporation
---	---

3 - Reasons for dissolution - Raisons de la dissolution

**Failure to obtain certificates of continuance in accordance with Section 261(3)  
of the Canada Business Corporations Act.**

4 - Interest of applicant in revival of body corporate - <b>sole shareholder</b>	Intérêt du demandeur dans la reprise d'existence de la corporation
---	--

5 - Name of Applicant in full - Nom complet du demandeur <b>John Doe</b>	6 - Address of Applicant - Adresse du demandeur <b>123 Peel Street, Montreal, Quebec</b>
---	---

Signature of Applicant - Signature du demandeur	Date <b>June 27, 1978</b>
---	------------------------------

FOR DEPARTMENTAL USE ONLY Corporation No. - No de la corporation	À L'USAGE DU MINISTÈRE SEULEMENT Filed - Dépôté
---	--



**FORM 16**  
**Certificate of**  
**Revival**

**Canada Business**  
**Corporations Act**

**FORMULE 16**  
**Certificat de reprise**  
**d'existence**

**Loi sur les corporations**  
**commerciales canadiennes**

ABC Limited

Name of Corporation - Nom de la corporation

Number - Numéro

I hereby certify that the above-mentioned Corporation was revived under Section 202 of the Canada Business Corporations Act as set out in the attached Articles of Revival.

Je certifie par les présentes que la corporation ci-haut a repris son existence en vertu de l'article 202 de la Loi sur les corporations commerciales canadiennes, tel qu'indiqué dans les statuts de reprise d'existence ci-joints.

Director - Directeur

Date of Revival - Date de reprise d'existence

## Example 21

## CANADA BUSINESS CORPORATIONS ACT

ANNUAL RETURN  
FORM 22  
INSTRUCTIONS**General**

The Annual Return must be sent to the Director on or before June 1st in every year, other than the year of incorporation, and setting out the required information as at the 31st day of March preceding (See Regulations, s. 4).

**Item 3**

Set out the date of original incorporation.

**Item 4**

Set out the date of continuance under the Act (if applicable).

**Item 5**

State the date of the corporation's financial year end.

**Items 6 and 7**

Indicate whether the address of the Registered Office has changed since the last Annual Return was filed and state whether a Notice of Change of Registered Office (Form 3) was forwarded. Note that under ss. 19(4) of the Act a Notice of Change of Registered Office must be filed within 15 days after the change.

**Item 8**

Indicate the manner of original incorporation.

**Item 9**

State the main actual business or businesses of the corporation indicating where possible the corporation's standard industrial classification code (S.I.C.C.).

**Item 10**

Indicate the geographic area of the actual operations of the corporation.

**Item 11**

Designate each class of shares and set out the required data in the table in respect of each class.

**Items 12 and 13**

Indicate whether there has been any change of directors since the last Annual Return and state whether a Notice of Change of Directors (Form 6) has been filed. Note that under ss. 108(1) of the Act a Notice of Change of Directors must be filed within 15 days after a change.

**Items 14, 15 and 16**

Identify the auditor or, if an audit was not required, so indicate.

**Items 17 and 18**

State the date of the last annual meeting of shareholders, or if a meeting was not required to be held, so indicate.

**Items 19, 20, 21, 22 and 23**

Set out the date of the end of the financial period shown in the last financial statements sent to the Director or, if none were required to be sent, indicate why not.

**Items 24 and 25**

Check the appropriate box to show the number of beneficial owners of shares of the corporation.

**Item 26**

Indicate whether the corporation is a "distributing corporation", that is, a corporation that has made a distribution of its securities to the public within the meaning of ss. 2(7) of the Act.

**Signature**

A director or authorized officer of the corporation shall sign the Return.

LOI SUR LES CORPORATIONS COMMERCIALES  
CANADIENNESDÉCLARATION ANNUELLE  
FORMULE 22  
INSTRUCTIONS**Généralités**

La déclaration annuelle doit être envoyée au Directeur le ou avant le 1<sup>er</sup> juin de chaque année, autre que l'année d'incorporation, et indiquer les renseignements requis établis au 31 mars précédent (Voir les Règlements, article 4).

**Rubrique 3**

Indiquer la date d'incorporation originale.

**Rubrique 4**

Indiquer la date de la continuation en vertu de la Loi (forsqu'applicable).

**Rubrique 5**

Donner la date de la fin de l'année financière de la corporation.

**Rubriques 6 et 7**

Indiquer si l'adresse du siège social a changé depuis l'envoi de la dernière déclaration annuelle et indiquer si un avis de changement du siège social (Formule 3) a été envoyé. Noter qu'en vertu du paragraphe 19(4) de la Loi un avis de changement du siège social doit être envoyé dans les 15 jours qui suivent le changement.

**Rubrique 8**

Indiquer de quelle façon la corporation a été incorporée à l'origine.

**Rubrique 9**

Donner la ou les principales activités de la corporation en référant si possible au Code de classification des activités économiques de Statistique Canada.

**Rubrique 10**

Indiquer la région géographique où la corporation exploite actuellement son entreprise.

**Rubrique 11**

Designier chaque catégorie d'actions et indiquer les informations requises dans le tableau en regard de chaque catégorie.

**Rubriques 12 et 13**

Indiquer s'il y a eu un changement des administrateurs depuis la dernière déclaration annuelle et indiquer si un avis de changement des administrateurs (Formule 6) a été fourni. Noter qu'en vertu du paragraphe 108(1) de la Loi un avis de changement des administrateurs doit être fourni dans les quinze (15) jours après un changement.

**Rubriques 14, 15 et 16**

Identifier le vérificateur ou, si une vérification n'était pas requise, l'indiquer.

**Rubriques 17 et 18**

Donner la date de la dernière assemblée annuelle des actionnaires ou si une assemblée n'était pas requise, l'indiquer.

**Rubriques 19, 20, 21, 22 et 23**

Indiquer la date de la fin de l'exercice financier montré dans les derniers états financiers envoyés au Directeur ou, s'il n'était pas requis d'envoyer les états financiers, indiquer pourquoi.

**Rubriques 24 et 25**

Cocher la case appropriée pour indiquer le nombre de propriétaires à titre de bénéficiaires des actions de la corporation.


**Rubrique 26**

Indiquer si la corporation est une "corporation distributrice", à savoir, une corporation qui a fait une distribution de ses valeurs mobilières au public au sens du paragraphe 2(7) de la Loi.


**Signature**

Un administrateur ou un dirigeant autorisé de la corporation doit signer la déclaration.

Completed Return and a fee of \$30 payable to the Receiver General of Canada are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

La déclaration complétée et un droit de \$30, payable au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et Corporations  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9.

CANADIAN BUSINESS CORPORATIONS ACT FORM 22 ANNUAL RETURN (SECTION 256)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES FORMULE 22 DÉCLARATION ANNUELLE (ARTICLE 256)	
1 - Corporate Name and Registered Office Address Nom de la corporation et adresse du lieu du siège social		2 - Corporation No. No de la corporation	Annual Return as at ... Déclaration annuelle au ...
		3 - Date of Incorporation Date d'incorporation	4 - Date of Continuance Date de continuation
		5 - Financial year end Fin de l'année financière	
6 - Address changed from last year Adresse est-elle différente de l'année précédente <input type="checkbox"/> Yes <input type="checkbox"/> No		7 - If yes, has change form been Si oui, le changement a-t-il été <input type="checkbox"/> Filed <input type="checkbox"/> Attached	
8 - Manner of original incorporation - Méthode de la constitution originale			
<input type="checkbox"/> Letters Patent Lettres patentes		<input type="checkbox"/> Articles C.B.C.A. Statuts L.C.C.C.	<input type="checkbox"/> Special Act Loi spéciale
		<input type="checkbox"/> Amalgamation Fusion	<input type="checkbox"/> Provincial or other Provinciale ou autre
9 - Main Types of Business (Standard Industrial Classification Code) - Catégories principales d'entreprises (Code de classification des activités économiques)			
10 - Geographic area of corporation (intended) operation - Étendue géographique des opérations (antéicipées)			
<input type="checkbox"/> Local Locale		<input type="checkbox"/> Provincial Provinciale	<input type="checkbox"/> Inter-Provincial Interprovinciale
		<input type="checkbox"/> National Nationale	<input type="checkbox"/> International Internationale
11 - Designation of each class of shares			
Designation de chaque catégorie d'actifs	Number issued and outstanding Nombre émis et en circulation	Amount of stated capital Montant du capital déclaré	Purchased by corporation Achetés par la corporation
			Cumulative Total cumulé
			Redeemed by corporation Rachetés par la corporation
			Cumulative Total cumulé
12 - Directors of Corporation Administrateurs de la corporation			
13 - If yes, has change form been ... Si oui, la formule de changement a-t-elle été ...		14 - Auditor - Vérificateur	
<input type="checkbox"/> Change from last year Différent de l'an passé		<input type="checkbox"/> Same as last year le même que l'année précédente	
<input type="checkbox"/> Filed Déposée		<input type="checkbox"/> Attached Annexée	
15 - Unanimous shareholder approval to disperse Approbation unanime des actionnaires pour dispenser		16 - Name and address of new auditor - Nom et adresse du nouveau vérificateur	
		17 - Date of last annual meeting Date de la dernière assemblée annuelle	
		18 - Or not held per unanimous shareholder approval Ou non tenue avec l'approbation unanime des actionnaires	
19 - Last financial statements sent to the Director Les derniers états financiers envoyés au Directeur sont pour l'exercice financier se terminant à cette date		20 - Or not required to be sent Ou envoi non requis	
		21 - Or exempt from requirement to send Ou exempté de l'exigence de l'envoi	
		22 - Date of the ordinance of exemption Date de l'ordonnance d'exemption	
23 - Financial statements sent in consolidated or combined form of the following corporation États financiers envoyés sous une forme consolidée ou unifiée de la corporation suivante			
24 - Are securities of the corporation held by more than one person? Les valeurs mobilières de la corporation sont-elles détenues par plus d'une personne?			
Yes Oui		25 - If yes, how many persons? Si oui, combien de personnes?	
No Non		<input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 or more au plus	
26 - Is Corporation a distributing Corporation? Est-ce que la corporation est une corporation distributrice?		Yes Oui	
		No Non	
Signature and title (Officer or Director) - Signature et titre (dirigeant ou administrateur)		Telephone	
		Date	
DEPARTMENT ONLY - MINISTÈRE SEULEMENT			
Date received - Date de réception		Validation	
		Key Code clé	
		Chaque	
		Amount - Montant	

**Example 22**

**Certificate of Corporate Status**

I HEREBY CERTIFY that ABC CANADA LTD. — ABC CANADA LTEE was incorporated on the twenty-ninth (29th) day of May, one thousand nine hundred and thirty-four (1934) and that the Company is subject to the provisions of the Canada Corporations Act and that its annual summary as of March 31, 1975 and financial statement as of December 28, 1974 have been filed.

According to the information contained in the records in the Department of Consumer and Corporate Affairs, as of the date of this Certificate, the Company's charter is in force.

Given under the seal of office of the Minister of Consumer and Corporate Affairs at Ottawa this 10th day of October, 1975.

Jacques B. Brazeau  
Assistant Director — Compliance  
for and on behalf of the  
Minister of Consumer and Corporate Affairs



## Example 23

## CANADA BUSINESS CORPORATIONS ACT


**APPLICATION FOR EXEMPTION  
FORM 27  
INSTRUCTIONS**
**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

Always set out the corporation number.

**Item 3**

Check the appropriate box to indicate the provision of the Act to which the requested exemption relates.

**Item 4**

Set out the full name (first name, initial, and family name if an individual) and address, including postal code.

**Item 5**

State the capacity in which the applicant acts; for example, a director, authorized officer or solicitor of a corporation, or a solicitor or agent of an applicant.

**Item 6**


Designate by a number each document accompanying the application and complete accordingly the table in Item 6. Each application must be supported by:

- (a) a description and details of exemption sought;
- (b) a statement of Facts that states the issue and summarized briefly the material facts;
- (c) an Argument that states the legal, economic or other reasons why the application should be granted; and
- (d) a statutory declaration under the Canada Evidence Act that attests in general to the truth of the facts stated in the Statement of Facts and to the validity of any document referred to in the Statement of Facts that is incorporated by reference in the statutory declaration.

**Signature**

The applicant or his authorized agent shall sign the Application. If the applicant is a corporation, a director or authorized agent of the corporation shall sign the Application.

Completed documents and applicable fee, payable to the Receiver General for Canada, are to be sent to:

The Director, Corporations Branch,  
 Consumer and Corporate Affairs  
 Ottawa/Hull, Canada,  
 K1A 0G9, Consommation et corporations

**LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
DEMANDE D'EXEMPTION  
FORMULE 27  
INSTRUCTIONS**
**Format**

Tous les documents dont l'envoi au Directeur est requis conformément à la Loi sur les corporations commerciales canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Rubrique 1**

Indiquer au complet le nom légal de la corporation.

**Rubrique 2**

Toujours indiquer le numéro de la corporation.

**Rubrique 3**

Cocher la case appropriée pour indiquer la disposition de la Loi à laquelle la demande d'exemption se rapporte.

**Rubrique 4**

Indiquer le nom au complet (prénom, initiale, et nom de famille, s'il s'agit d'un individu) et adresse y compris le code postal.

**Rubrique 5**

Dire à quel titre le demandeur agit; par exemple, un administrateur, dirigeant autorisé d'une corporation, procureur, ou agent du demandeur.

**Rubrique 6**


Désigner par un numéro chaque document accompagnant la demande et compléter en conséquence le tableau de la Rubrique 6. Chaque demande doit être accompagnée

- (a) d'une description et des détails concernant l'exemption demandée précisant la nature de l'exemption;
- (b) d'un exposé des faits énonçant la question et décrivant brièvement les faits importants;
- (c) d'une argumentation écrite énonçant les raisons légales, économiques ou autres qui justifieraient l'octroi de l'exemption; et
- (d) d'une déclaration statutaire en vertu de la Loi sur la preuve au Canada attestant en général la véracité des faits énoncés dans l'exposé des faits et la validité de tout document mentionné dans l'exposé des faits et qui est inclus pour référence dans la déclaration statutaire.

**Signature**

Le demandeur ou son mandataire autorisé doit signer la demande. Si le demandeur est une corporation, un administrateur ou un dirigeant autorisé de la corporation doit signer la demande.

Les documents complétés en duplicata et le droit applicable, payable au Receveur-Général du Canada, doivent être envoyés à:

Le Directeur, Direction des Corporations,  
 Consommation et Corporate Affairs  
 Place du Portage,  
 Ottawa/Hull, Canada,  
 K1A 0G9, Consumer and Corporate Affairs

CANADA BUSINESS  
CORPORATIONS ACT  
FORM 27



LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES  
FORMULE 27

APPLICATION FOR EXEMPTION  
ss. 2(8), 10(2), 77(3), 122(8), 145(1),  
154(3), 165(2) AND SECTION 150

DEMANDE D'EXEMPTION  
PARAGRAPHES 2(8), 10(2), 77(3), 122(8), 145(1),  
154(3), 165(2) ET ARTICLE 150

1 - Name of Corporation - Nom de la corporation	2 - Corporation No. No de la corporation
---	---

3 - Type of application for exemption - Type de la demande d'exemption

<input type="checkbox"/> Distribution to the Public - sub. 2(8) Distribution publique - par. 2(8)	<input type="checkbox"/> Proxy Solicitation - sub. 145(1) Solicitation de procurations - par. 145(1)
<input type="checkbox"/> Name of Corporation - sub. 10(2) Nom de la corporation - par. 10(2)	<input type="checkbox"/> Financial Disclosure - section 150 Divulgateion financière - article 150
<input type="checkbox"/> Trust Indentures - sub. 77(3) Acte de fiducie - par. 77(3)	<input type="checkbox"/> Affiliation exemption - sub. 154(3) Exemption d'affiliation - par. 154(3)
<input type="checkbox"/> Insider Report - sub. 122(8) Rapport d'intitlé - par. 122(8)	<input type="checkbox"/> Audit Committee - sub. 165(2) Comité de vérification - par. 165(2)

4 - Name and address of applicant - Nom et adresse du demandeur

5 - Capacity of applicant - Qualité du demandeur

6 - List of documents - Liste des documents

Document Number - Numéro	Description of Documents - Description des documents
1	Description and details of exemption sought Description et détails de l'exemption demandée
2	Statement of fact Exposé des faits
3	Argument Argumentation
4	Statutory Declaration Déclaration statutaire
5	
6	
7	

Signature of Applicant - Signature du demandeur	Date
---	------

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT	
Date received - Date de réception	Fee received - Droit reçu

**Example 24****Notice****EXPOSURE DRAFT****Information Statement No. 9****General Guidelines and Procedures Relating to Applications for  
Exemption from Insider Reporting Requirements — Section 100.1(10)  
Canada Corporations Act**

The Department intends to adopt the proposed Information Statement No. 9 respecting the above. An exposure draft of proposed new general guidelines and procedures is reproduced hereafter.

All comments or suggestions should be sent to the Director, Corporations Branch, Department of Consumer and Corporate Affairs, Place du Portage, 68 Victoria Street, Ottawa/Hull, K1A 0C9, to arrive on or before 1st March, 1975.

**Index****1.00 Preface**

- 1.01 Definitions
- 1.02 Legislation
- 1.03 Purpose of Information Statement
- 1.04 Purpose of Forms
- 1.05 Development of Guidelines and Procedures
- 1.06 Objectives of Insider Trading Provisions

**2.00 General Guidelines**

- 2.01 Persons not Exempt
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  - (2) Affiliated Companies
  - (3) Directors and Officers of Controlling Companies
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- 3.01 Who may apply
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- 3.03 Documents required in Support of Application
- 3.04 Form of the Declaration of Bona Fides

- 3.05 Exhibits to Declaration of Bona Fides
- 3.06 Special Cases

**4.00 Departmental Procedures**

- 4.01 Routine Applications
- 4.02 Special Applications
- 4.03 Decision on the application

Schedule "A" — Model of Application Form

Schedule "B" — Model of Declaration of Bona Fides

Schedule "C" — Model of Exemption Order

**Information Statement No. 9**

(Date of Issue)

**General Guidelines and Procedures Relating to Applications for Exemption  
from Insider Reporting Requirements — Section 100.1(10) —  
Canada Corporations Act**

**1.00 Preface**

1.01 In this document

"Company", "the Company" or "Companies" mean the company in respect of whose securities the exemption is sought. "person" means an individual, partnership, association, body corporation, trustee, executor, administrator or legal administrative.

"large subsidiary" means a subsidiary of the Company whose gross revenue constitutes more than ten per cent (10%) of the consolidated gross revenue of the Company.

1.02 Since the amendment of the Canada Corporations Act by the Act to amend the Canada Corporations Act, R.S.C. 1970 (1st Supplement) c.10, which contains requirements for the filing of reports by insiders of public companies disclosing their transactions in the securities of the Company, numerous applications have been received by the Minister of Consumer and Corporate Affairs on behalf of certain insiders for exemptions from the reporting requirements in accordance with Section 100.1(10) of the Act.

1.03 The purpose of this Information Statement is to publicize the terms, conditions and general guidelines established by the Minister and to be followed in determining whether or not an Exemption Order will be granted on an application made on behalf of individuals who are insiders of a Company by reason only that they occupy a position of director or officer of any other company which is an affiliate of this Company.

- 1.04 As a convenience to applicants and to facilitate the processing of the application by the Department, a sample of the format of an application form with supporting attachments and exhibits is reproduced in Schedules "A" and "B" to this Information Statement.
- 1.05 The guidelines and procedures described in this Information Statement have been developed having regard to the applicable provisions of the Act and the purpose for which they were enacted.
- 1.06 The objective of the Insider Trading provisions is to provide the investing public with information concerning all transactions in a Company's securities that have been entered into by defined persons who are in a position to have access to confidential information concerning the operations of the Company.

## 2.00 General Guidelines

### 2.01 Persons Not to be Exempt

*Except in special circumstances*, such as for example the participation by an insider to a stock investment plan for employees, a savings plan or any other similar program by virtue of which an insider invests in the securities of a Company on a systematic basis, an exemption order will not be granted to an insider who falls into one of the following categories:

- 2.01(1) *Individuals who are insiders of the Company because they occupy a position of director or officers of the Company.*

It is evident that the directors or officers of the Company and the persons occupying a position of director and officers should not be exempt from the reporting requirements as, because of their position, they have access to confidential information before such information is made public and therefore they could take advantage of this knowledge for their personal gain.

- 2.01(2) *Any other company wherever incorporated that is an affiliate of the Company.*

The purpose of not granting an exemption to such company is to expose the whole chain of control in a corporate structure to ensure that disclosure will not be avoided by persons in a position to have access to confidential information trading in the securities of a company through any other companies that are controlled by them.

However, it is to be noted, that an insider trading report is not required to be filed by any other com-

pany that is an insider of the Company, if the transactions in the securities of the Company have been reported by any other company or individual in accordance with Sections 100.1(6) and 100.1(7) of the Act.

That is to say, that many other companies which are insiders of the Company can take advantage of the above mentioned sections when the person who owns them directly or indirectly reports those transactions.

- 2.01(3) *Individuals who are insiders of the Company because they occupy a position of director or officer of any other company that controls directly or indirectly the Company.*

Control as used in this paragraph has the same meaning as is given to it in subsection 125(4) of the Act, e.g. any other company that owns, other than by way of securities only, shares of the Company that carry more than fifty percent (50%) of the votes for the election of directors.

The above individuals will not be exempt because it is considered that due to their position in other companies that control the Company, they are in the same situation as directors and officers of the Company, in that they can, if they so desire, have access to confidential information concerning the Company's operations before such information is released to the public.

- 2.01(4) *Individuals who are insiders of the Company because they occupy a position of director or officer of another company that is a subsidiary of the Company whose gross revenue constitutes more than ten percent (10%) of the consolidated gross revenue of the Company.*

The operating results of a large subsidiary company usually affect significantly the operating result of its parent company. Hence, the directors and officers of a large subsidiary company because they know the operating results of their company before such information is made available to the public are in a position to know the effect that these results will have on the operating results of their parent company, and consequently, the effect that this could have on the trading value of the parent company's securities.

The identification of the subsidiary companies which

may have a significant impact on the trading value of the Company's share may be difficult. For the purpose of establishing guidelines for application in the granting of exemptions from insider trading reports, it was considered that ordinarily a subsidiary that contributed more than ten percent ((10%) to the gross revenue of the Company will have such a significant impact.

2.01(5) *Individuals who are insiders of the Company because they occupy a position of director or officer of an affiliate engaged in Research and Development, or Exploration the announcement of whose reports could materially affect the value of the securities of the Company.*

2.01(6) *Individuals who are insiders of the Company because they occupy a position of director or officer of an affiliate that supplies essential material or services to the Company or to a large subsidiary of the Company, if such supply is on such a scale or of such an essential nature that events affecting that supply could materially affect the value of the securities of the Company.*

The situations discussed under paragraphs 2.01(5) and 2.01(6), are attempts at identifying individuals, not previously excluded, who because of the nature of the business of the other company of which they are directors or officers, are in a position to obtain information in advance of the public that could significantly affect the operations and therefore the trading value of the securities of the Company.

## 2.02 **Effect and Duration of an Exemption Order**

### 2.02(1) *Effect of an Exemption Order*

The Exemption Order does not apply only to persons who are insiders of the Company at the date of the application, but applies also to persons who become insiders of the Company while the Exemption Order is in force.

Thus, persons who become insiders of the Company while the Exemption Order is in force and who are not exempt will have to comply with the insider trading reporting requirements of the Act.

### 2.02(2) *Maximum Duration of an Exemption Order*

As a general rule, an Exemption Order will not extend beyond three (3) years from the date of its issuing and in all cases the Exemption Order will

be subject to revocation by the Department at any time before its expiry date.

The purpose of this guideline is to permit the Department to make a systematic review of all Exemption Orders granted in order to update the information on file concerning the Company and its affiliates. The revocation of an Order will usually occur only when it has come to the attention of the Minister that the facts upon which the Order was based have changed significantly.

No revocation of an Exemption Order will be made without the applicant being notified in order to permit it to submit new material in support of its application.

#### 2.02(3) *Retrospective Effect of the Order*

While subsection 100.1(10) authorizes the Minister, if there is adequate justification for so doing, to make the Order having retrospective effect, it is not foreseen that it will be necessary to apply this special provision frequently. Therefore, each request for a retrospective order will be treated on its merits.

### 3.00 Procedures for Applying for an Exemption Order

#### 3.01 Who may Apply

Section 100.1(10) of the Act specifies that any interested person may apply for an exemption. While it appears from the wording of the said section that a separate application must be filed for each insider, it is recognized that this would cause much inconvenience and consequently an application made by any interested person on behalf of all or a group of insiders will be accepted for consideration.

A separate application form must be filed for each federal public Company even if two (2) or more federal public Companies are in the same group.

#### 3.02 Format of Application

The applicant may draft its application as he considers appropriate. However, to avoid delays in processing and to facilitate the handling of the application, it would be preferable for it to be prepared in accordance with the format suggested in exhibit "A". In any event, the application form must contain the following information:

- (a) the name of the Company,
- (b) the name and address of the applicant,
- (c) the relationship of the applicant to the Company,
- (d) the individuals on whose behalf the application is made,



- (e) the period of time for which the Exemption Order is requested, and
- (f) the signature of the applicant.

### **3.03 Documents Required in Support of Application**

In order to identify the companies whose directors and officers will be excluded in the Exemption Order in accordance with the General Guidelines described under Section 2.01 above, certain information concerning the Company and its affiliated companies will be required.

Since the information provided in the application will usually be relied upon, it will be necessary for this information to be submitted in the form of a Declaration of Bona Fides.

### **3.04 Form of the Declaration of Bona Fides**

Schedule "B" hereto is a model of a Declaration of Bona Fides that will be acceptable. Although it would be preferable for applicants to use this model in order to facilitate processing of the application, other types of Declarations of Bona Fides will be acceptable providing that they contain the basic information required.

### **3.05 Exhibits to Declaration of Bona Fides**

Again to facilitate the preparation and the processing of the application by the Department, it is suggested that the information required be presented by way of exhibits attached to a Declaration of Bona Fides. All the exhibits referred to in the Schedule "B" must be attached to the Declaration of Bona Fides even if an exhibit should only contain the mention "nil". Each exhibit is described in the Declaration of Bona Fides and requires no further explanation. In lieu of a list of affiliated companies as required in exhibit A of paragraph 2 in the Declaration of Bona Fides, a chart of the Corporate Organizational structure may be submitted if this chart shows the name of all corporations in the organization.

If, for any reason, exhibit A referred to in the Declaration of Bona Fides does not contain the list of all affiliated companies or a chart of the corporate organizational structure, the application will be treated as a special application pursuant to paragraph 4.02 of the present document.

### **3.06 Special Cases**

Where an applicant because of special circumstances or for other valid reasons feels that the Exemption Order should

- (a) also be applicable to persons who would ordinarily be excluded from the exemption by the application of the general guidelines enunciated in Section 2.01 above, or
- (b) be in force for a period in excess of three (3) years,

it is suggested that the application clearly describe the exemption sought. In addition, it is suggested that the special circumstances and reasons justifying a departure from the guidelines be described in detail in the Declaration of Bona Fides.

#### **4.00 Departmental Procedures**

All applications received in the Department will be immediately reviewed and separated according to whether or not they are completed in accordance with the guidelines and format outlines in this Information Statement.

##### **4.01 Routine Applications**

Once it has been established that the application contains all the information required and that the request for the exemption is in accordance with the guidelines outlined in Section 2.00 above, an Exemption Order along the lines of that shown in schedule "C" will be issued forthwith.

It is expected that the maximum time that will be required to process this type of application will be three (3) weeks. If for any reason it appears that the Order will not be issued within that time, a letter of acknowledgement will be issued.

##### **4.02 Special Applications**

Applications received in a format that is substantially different from that suggested in this Information Statement or that contains a request for an Exemption that is not in conformity with the guidelines outlined in Section 2.00 above, will be acknowledged on receipt.

If it is considered necessary, further documents or information relating to the application could be requested from the applicant or other persons.

Where after a careful study of the material submitted it is considered that the exemption should be granted as requested, an appropriate Order will be issued.

On the other hand, if the exemption should not be granted, the applicant will be so informed in writing and will be invited if he so desires, to

- (a) modify its application, or
- (b) submit additional information in support of its application.

##### **4.03 Decision on the Application**

Upon receipt of any additional information submitted by the applicant under Section 4.02(b) above, a final decision will be made on the application; the decision will be communicated to the applicant or the appropriate Order will be issued.

Schedules: See Examples 27 to 28.

## Example 25

**CANADA BUSINESS CORPORATIONS ACT  
(OR CANADA CORPORATIONS ACT)  
INITIAL REPORT OF INSIDER IN  
THE SECURITIES OF A CORPORATION  
FORM 5 (CANADA BUSINESS CORPORATIONS ACT,  
ss. 122(1) OR (2))  
OR  
FORM 1 (CANADA CORPORATIONS ACT,  
ss. 100.1(1), (2), (3) AND (5))  
INSTRUCTIONS**

**Interpretation**

Where this Report is filed under the Canada Corporations Act, in these instructions and in the Form

- (a) "corporation" means "company"
- (b) "body corporate" means "any other company"
- (c) "distributing corporation" means "public company", and
- (d) "share" means "equity share".

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**General**

- (1) File a separate report in respect of each corporation of which you are an insider. If you do not own or exercise control or direction over any securities of a corporation of which you are an insider, you must file a "NIL" Report.
- (2) A purchase warrant, put, call or other transferable option is a security that must be reported.
- (3) If reporting an indirect holding refer to each intermediary (agent, trust or corporation) by its full legal name.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

If known, set out the corporation number.

**Item 3**

Set out your first given name, initials and family name.

**LOI SUR LES CORPORATIONS COMMERCIALES  
CANADIENNES (OU LOI SUR LES CORPORATIONS  
CANADIENNES)  
RAPPORT INITIAL D'UN INITIÉ DANS  
LES VALEURS MOBILIÈRES D'UNE CORPORATION  
FORMULE 5 (LOI SUR LES CORPORATIONS  
COMMERCIALES CANADIENNES, ARTICLE 122,  
PARAGRAPHE (1) OU (2))  
OU  
FORMULE 1 (LOI SUR LES CORPORATIONS  
CANADIENNES para. 100.1(1), (2), (3) et (5))  
INSTRUCTIONS**

**Interprétation**

Lorsque ce rapport est fourni en vertu de la Loi sur les corporations canadiennes, dans ces instructions et dans la formule

- (a) "corporation" désigne "compagnie",
- (b) "personne morale" désigne "toute autre compagnie",
- (c) "corporation distributrice" désigne "compagnie publique", et
- (d) "action" désigne "action donnant droit de vote".
- (e) "initié" désigne "dirigeant".

**Format**

Tous les documents dont l'envoi est exigé au Directeur conformément à la Loi sur les Corporations Commerciales Canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Généralités**

- (1) Fournir un rapport séparé à l'égard de chaque corporation dont on est un initié. Un rapport néant ("nil" report) doit être fourni même si l'on n'est pas propriétaire ou même si l'on n'exerce pas un contrôle ou une direction sur une valeur mobilière d'une corporation dont on est un initié.
- (2) Un droit d'achat, une option d'acheter ou de vendre et autre option transférable est une valeur mobilière qui doit faire l'objet d'un rapport.
- (3) Si on rapporte un holding indirect, référer à chaque intermédiaire (agent, fiducie ou corporation) sous son nom légal complet.

**Rubrique 1**

Indiquer le nom légal complet de la corporation.

**Rubrique 2**

S'il est connu, indiquer le numéro de la corporation.

**Rubrique 3**

Indiquer le prénom de l'initié, ses initiales et son nom de famille.

**Item 4**

Set out your full residential address including the postal code.

**Item 5**

Indicate in what capacity you qualify as an insider; for example,

- (a) A director of a distributing corporation;
- (b) An officer of a distributing corporation;
- (c) A deemed insider of a distributing corporation;
- (d) A person who beneficially owns or exercises control or direction over more than 10 per cent of the votes attached to all shares of a distributing corporation; or
- (e) A distributing corporation that acquires shares issued by itself or by any of its affiliates under the Canada Business Corporations Act.

If you qualify as an insider in more than one capacity indicate each capacity.

**Item 6**

- (1) State the date on which you became an insider.
- (2) State separately your beneficial ownership of securities of the corporation and the capacity in which control or direction over shares is exercised.
- (3) Under "Designation of securities" identify each class of securities beneficially owned or over which control or direction is exercised; for example, "Common Shares", "First Preference Shares", "5% Debentures Due 1995", etc. Where Schedules are used to report transactions in detail, determine the totals and bring the totals forward to Item 5.
- (4) In reporting the amount or number of securities beneficially owned or over which control or direction is exercised, in the case of debt securities state the principal amounts and in the case of shares give the number.
- (5) Under "Nature of ownership, control or direction"
  - (a) state whether and to what extent your beneficial ownership of securities is direct or indirect, to the extent your ownership is indirect indicate in a note or other appropriate manner the name or identity of the intermediary through which the securities are indirectly owned, and state the amount or number of securities held for you by each such intermediary.
  - (b) report on separate lines securities owned directly and securities owned indirectly in order to distinguish among them, and
  - (c) state whether you exercise control or direction over securities, report the amount or number of each class of such securities on a separate line, and indicate the means by which the control or direction is exercised.

**Item 7**

Include any additional information or explanation you think relevant.

**Rubrique 4**

Indiquer l'adresse résidentielle complète de l'initié, incluant le code postal.

**Rubrique 5**

Indiquer en quelle capacité on qualifie comme initié; par exemple,

- (a) Un administrateur d'une corporation distributrice;
- (b) Un dirigeant d'une corporation distributrice;
- (c) Un initié présumé d'une corporation distributrice;
- (d) Une personne qui est propriétaire à titre de bénéficiaire ou qui exerce un contrôle ou une direction sur plus de 10 pour cent des droits de vote afférents à toutes les actions d'une corporation distributrice; ou
- (e) Une corporation distributrice qui acquiert des actions émises par elle-même ou par l'une de ses affiliées en vertu de la Loi sur les corporations commerciales canadiennes.

Si on qualifie comme initié dans plus d'une capacité, indiquer chaque capacité.

**Rubrique 6**

- (1) Indiquer la date à laquelle on est devenu un initié.
- (2) Déclarer séparément sa propriété à titre de bénéficiaire de valeurs mobilières de la corporation et la capacité en vertu de laquelle un contrôle ou une direction sur des actions est exercé.
- (3) Sous "Désignation des Valeurs mobilières" identifier chaque catégorie de valeurs mobilières détenues à titre de bénéficiaire ou sur lesquelles un contrôle ou une direction est exercée; par exemple, "actions ordinaires", "actions privilégiées", "débitures 5% échéant en 1995" etc. Lorsque des annexes sont utilisées pour rapporter des transactions détaillées, déterminer et reporter les totaux dans la Rubrique 5.
- (4) En rapportant le montant ou le nombre de valeurs mobilières à titre de bénéficiaire ou sur lesquelles un contrôle ou une direction est exercé, dans le cas des titres de dettes, donner les montants principaux de ceux-ci et dans le cas d'actions, donner le nombre.
- (5) Sous "Nature du droit de propriété, contrôle ou direction",
  - (a) déclarer si et dans quelle mesure son droit de propriété à titre de bénéficiaire de valeurs mobilières est direct ou indirect; dans la mesure où son droit de propriété est indirect, indiquer dans une référence ou d'une autre manière appropriée le nom ou l'identité de l'intermédiaire par lequel les valeurs mobilières sont indirectement détenues, et déclarer le montant ou le nombre de valeurs, et déclarer le montant ou par chaque tel intermédiaire.
  - (b) rapporter sur des lignes séparées les valeurs mobilières détenues directement et celles détenues indirectement afin de les distinguer, et
  - (c) déclarer si on exerce un contrôle ou une direction sur les valeurs mobilières, porter le montant ou nombre de chaque catégorie de telles valeurs mobilières sur une ligne séparée et indiquer le moyen par lequel le contrôle ou la direction est exercé.

**Rubrique 7**

Inclure tout renseignement ou explication additionnels, jugés pertinents.

**Signature**

If the report is filed on behalf of a corporation partnership, trust or other entity, the name of the corporation or other entity must appear over the signature of the officer or other person authorized to sign the report. If the report is filed by an Individual It must be signed by him or specifically on his behalf by a person authorized to sign for him.

**REFERENCES TO SECTIONS OF THE CANADA BUSINESS CORPORATIONS ACT**

<b>Définitions</b>	
"insider"	s. 121
"associate"	s. 2
"affiliate"	s. 2
"corporation"	s. 2
"body corporate"	s. 2
"disclosing corporation"	s. 121
"director"	s. 2
"officer"	s. 121
"share"	s. 121
"securities"	s. 2
Duty to file insider reports	s. 122
Publication of reports	s. 123
Offence and punishment	s. 122
Civil liability of insider	s. 125

**REFERENCES TO SECTIONS OF THE CANADA CORPORATIONS ACT**

<b>Définitions</b>	
"insider"	s. 100
"affiliate"	s. 100
"company"	s. 3
"any other company"	s. 3
"public company"	s. 100
"director"	s. 3
"officer"	s. 3
"equity share"	s. 3
"securities"	s. 3
Duty to file insider reports	s. 100.1
Public inspection of reports	s. 100.2
Offence and punishment	s. 100.3
Civil liability of insider	s. 100.4

Two signed copies of the report are to be filed with:

The Director, Corporations Branch,  
Department of Consumer & Corporate Affairs,

Place du Portage,  
Ottawa/Hull, Canada,  
K1A 0C9.

**Signature**

Si le rapport est déposé au nom d'une corporation, société, fiducie ou autre entité, le nom de la corporation ou autre entité doit apparaître au-dessus de la signature du dirigeant ou autre personne autorisée à signer le rapport. Si le rapport est déposé par un individu, il doit être signé par lui ou spécifiquement en son nom par une personne autorisée à signer pour lui.

**RÉFÉRENCES AUX ARTICLES DE LA LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES**

<b>Définitions</b>	
"initié"	a. 121
"associé"	a. 2
"affiliée"	a. 2
"corporation"	a. 2
"personne morale"	a. 2
"corporation divulgateur"	a. 121
"administrateur"	a. 2
"dirigeant"	a. 121
"action"	a. 121
"valeurs mobilières"	a. 2
Devoir de déposer des rapports d'inités	a. 122
Publication des rapports	a. 123
Infraction et pénalité	a. 122
Responsabilité civile des initiés	a. 125

**RÉFÉRENCES AUX ARTICLES DE LA LOI SUR LES CORPORATIONS CANADIENNES**

<b>Définitions</b>	
"dirigeant"	a. 100
"affiliée"	a. 100
"compagnie"	a. 3
"toute autre compagnie"	a. 3
"compagnie publique"	a. 100
"administrateur"	a. 3
"fonctionnaire"	a. 3
"action donnant droit de vote"	a. 3
"valeurs"	a. 3
Devoir de déposer les rapports de dirigeant	a. 100.1
Inspection publique des rapports	a. 100.2
Infraction et pénalité	a. 100.3
Responsabilité civile du dirigeant	a. 100.4

Deux copies signées du rapport doivent être transmises à l'adresse suivante:

Le Directeur, Direction des Corporations,  
Ministère de la Consommation et des  
Corporations,

Place du Portage,  
Ottawa/Hull, Canada,  
K1A 0C9.

**CANADA BUSINESS CORPORATIONS ACT**           **LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES**  
**FORM 24**      **FORMULE 24**  
**INITIAL REPORT OF INSIDER INTEREST IN THE SECURITIES**      **RAPPORT INITIAL DE L'INTÉRÊT D'UN INITIÉ**  
**OF THE CORPORATION**      **DANS LES VALEURS MOBILIÈRES D'UNE CORPORATION**  
**ss. 122(1) OR (2)**      **PARAGRAPHES 122(1) OU (2)**

1 - Name of Corporation of which the undersigned is insider  
 Nom de la corporation dont le soussigné est initié

2 - Corporation No.  
 N° de la corporation

3 - Full name of the undersigned  
 Nom et prénom(s) du soussigné

4 - Residential address of the undersigned - Adresse résidentielle du soussigné

5 - Indicate in what capacity or capacities the undersigned qualifies as an insider      Indiquer à quel titre le soussigné a qualité d'initié

Director / Administrateur     
  Officer / Ouseignant     
  Own, control or exercise direction over more than 10% of shares / Est propriétaire, exerce un contrôle ou une direction sur plus de 10% des actions  
 Deemed insider / Présumé initié     
  Distributing Corporation which has acquired shares issued by itself or by any of its affiliates / Corporation distributrice qui a acquis des actions émises par elle-même ou l'une de ses affiliées

6 - Insider interest in the securities of the corporation including - Droits de direction concernant les valeurs suivantes de la corporation

Securities beneficially owned directly or indirectly by the undersigned      Shares over which the undersigned may exercise control or direction  
 on (Day Month Year)      as of (Day Month Year)  
 Valeurs mobilières dont le soussigné est directement ou indirectement      Actions donnant droit de vote sur lesquelles le soussigné peut exercer  
 propriétaire bénéficiaire (Jour Mois Année)      un contrôle ou une direction en date du (Jour Mois Année)

Designation of securities Désignation des valeurs mobilières	Amount or Number Montant ou nombre	Nature of ownership control or direction Nature du droit de propriété, du contrôle ou de direction

7 - Additional Remarks - Observations complémentaires

The undersigned hereby certifies that the information given in this report is true and complete in every aspect.      Le soussigné certifie par les présentes que les renseignements donnés dans le présent rapport sont véridiques et complets à tous égards.

Date of report - Date du rapport      Signature

IT IS AN OFFENCE UNDER THE CANADA BUSINESS CORPORATIONS ACT TO FILE A FALSE OR MISLEADING REPORT.  
 FOURNIR UN RAPPORT FAUX OU TROMPEUR CONSTITUE UNE INFRACTION EN VERTU DE LA LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES  
 CCA-974 (10-74)

## Example 26

**CANADA BUSINESS CORPORATIONS ACT  
(OR CANADA CORPORATIONS ACT)  
REPORT OF CHANGE OF INSIDER INTEREST  
IN SECURITIES OF THE CORPORATION  
FORM 6 (CANADA BUSINESS CORPORATIONS ACT,  
ss. 122(4))  
OR  
FORM 2 (CANADA CORPORATIONS ACT,  
ss. 100.1(4) AND (5))  
INSTRUCTIONS**

**Interpretation**

Where this Report is filed under the Canada Corporations Act, in these instructions and in the Form

- (a) "corporation" means "company",
- (b) "body corporate" means "any other company",
- (c) "distributing corporation" means "public company", and
- (d) "share" means "equity share".

**Format**

Documents required to be sent to the Director pursuant to the Canada Business Corporations Act must conform to sections 5 to 10 of the Regulations made under the Act.

**General**

- (1) File a separate report in respect of each corporation of which you are an insider
- (2) A purchase warrant, put, call or other transferable option is a security that must be reported
- (3) If reporting an indirect holding refer to each intermediary (agent, trust or corporation) by its full legal name
- (4) Verify that the Report is consistent with previous reports.

**Item 1**

Set out the full legal name of the corporation.

**Item 2**

If known, set out the corporation number.

**Item 3**

Set out your first given name, initials and family name.

**LOI SUR LES CORPORATIONS COMMERCIALES  
CANADIENNES (OU LOI SUR LES CORPORATIONS  
CANADIENNES)  
RAPPORT DU CHANGEMENT DE L'INTÉRÊT D'UN  
INITIÉ DANS LES VALEURS MOBILIÈRES D'UNE  
CORPORATION FORMULE 6 (LOI SUR LES  
CORPORATIONS COMMERCIALES CANADIENNES,  
ARTICLE 122, PARAGRAPHE 4)  
OU  
FORMULE 2 (LOI SUR LES CORPORATIONS  
CANADIENNES, ARTICLE 100.1, PARAGRAPHES 4 ET 5)  
INSTRUCTIONS**

**Interprétation**

Lorsque ce rapport est fourni en vertu de la Loi sur les corporations canadiennes, dans ces instructions et dans la formule

- (a) "corporation" désigne "compagnie",
- (b) "personne morale" désigne "toute autre compagnie",
- (c) "corporation distributrice" désigne "compagnie publique", et
- (d) "action" désigne "action donnant droit de vote".
- (e) "initié" désigne "dirigeant".

**Format**

Tous les documents dont l'envoi est exigé au Directeur conformément à la Loi sur les Corporations Commerciales Canadiennes doivent être conformes aux articles 5 à 10 des Règlements faits en vertu de la Loi.

**Généralités**

- (1) Fournir un rapport séparé à l'égard de chaque corporation dont on est un initié.
- (2) Un droit d'achat, une option d'acheter ou de vendre et autre option transférable est une valeur mobilière qui doit faire l'objet d'un rapport.
- (3) Si on rapporte un holding indirect, référer à chaque intermédiaire (agent, fiduciaire ou corporation) sous son nom légal complet.
- (4) S'assurer que le rapport est compatible avec les rapports précédents.

**Rubrique 1**

Indiquer le nom légal complet de la corporation.

**Rubrique 2**

S'il est connu, indiquer le numéro de la corporation.

**Rubrique 3**

Indiquer le prénom de l'initié, ses initiales et son nom de famille.

**Item 4**

Set out your full residential address including the postal code.

**Item 5**

Indicate in what capacity you qualify as an insider; for example,

- (a) A director of a distributing corporation;
- (b) An officer of a distributing corporation;
- (c) A deemed insider of a distributing corporation;
- (d) A person who beneficially owns or exercises control or direction over more than 10 per cent of the votes attached to all shares of a distributing corporation; or
- (e) A distributing corporation that acquires shares issued by itself or by any of its affiliates under the Canada Business Corporations Act.

If you qualify as an insider in more than one capacity indicate each capacity.

**Item 6**

State the calendar month.

**Item 7**

State day, month, year.

**Item 8**

- (1) State all changes in your beneficial ownership of securities and in your control or direction over securities of the corporation during the calendar month for which you are reporting, your beneficial ownership of securities, and your control or direction over securities of the corporation as at the end of the month.
- (2) Report every transaction involving a change in your beneficial ownership of securities or in your control or direction over securities of the corporation during the month. It is not sufficient to show only net changes during the month. State a change even if it only involves acquiring direct ownership.
- (3) Under "Designation of securities" identify each class of securities beneficially owned or over which control or direction is exercised; for example, "Common Shares", "First Preference Shares", "5% Debentures Due 1995", etc. Where Schedules are used to report transactions in detail, determine the totals and bring the totals forward to Item 8.
- (4) Show the date (day, month, year) of each transaction involving a sale or purchase of a security opposite the amount or number of securities involved in the transaction and the price at which each security was sold or purchased.
- (5) In reporting the amount or number of securities beneficially owned or over which control or direction is exercised, in the case of debt securities give the principal amounts and in the case of shares give the numbers.

**Rubrique 4**

Indiquer l'adresse résidentielle complète de l'initié, incluant le code postal.

**Rubrique 5**

Indiquer en quelle capacité on qualifie comme initié; par exemple,

- (a) Un administrateur d'une corporation distributrice;
- (b) Un dirigeant d'une corporation distributrice;
- (c) Un initié présumé d'une corporation distributrice;
- (d) Une personne qui est propriétaire à titre de bénéficiaire ou qui exerce un contrôle ou une direction sur plus de 10 pour cent des droits de vote afférents à toutes les actions d'une corporation distributrice; ou
- (e) Une corporation distributrice qui acquiert des actions émises par elle-même ou par l'une de ses affiliées en vertu de la Loi sur les corporations commerciales canadiennes.

Si on qualifie comme initié dans plus d'une capacité, indiquer chaque capacité.

**Rubrique 6**

Donner le mois du calendrier.

**Rubrique 7**

Donner, le jour, le mois, l'année.

**Rubrique 8**

- (1) Déclarer tous les changements dans son droit de propriété, à titre de bénéficiaire de valeurs mobilières et dans son contrôle ou sa direction sur des valeurs mobilières de la corporation au cours du mois de calendrier pour lequel on fait le rapport, et déclarer aussi son droit de propriété à titre de bénéficiaire de valeurs mobilières et son contrôle ou sa direction sur des valeurs mobilières de la corporation à la fin du mois.
- (2) Rapporter chaque transaction impliquant un changement dans son droit de propriété à titre de bénéficiaire de valeurs mobilières ou dans son contrôle ou direction sur des valeurs mobilières de la corporation au cours du même mois. Il n'est pas suffisant de montrer seulement les changements nets durant le mois. Déclarer un changement même s'il implique seulement l'acquisition de la propriété directe.
- (3) Sous "Désignation des valeurs mobilières", identifier chaque catégorie de valeurs mobilières détenues à titre de bénéficiaire et sur lesquelles un contrôle ou une direction peut être exercé. Par exemple, "actions ordinaires", "actions privilégiées", "débetures 5% échéant en 1995", etc. Lorsque des annexes sont utilisées pour rapporter des transactions en détail, déterminer et reporter les totaux dans la Rubrique 8.
- (4) Donner la date (jour, mois, année) de chaque transaction impliquant une vente ou un achat d'une valeur mobilière en face du montant ou du nombre de valeurs mobilières impliquées dans la transaction et donner le prix auquel chaque valeur mobilière a été vendue ou achetée.
- (5) En rapportant le montant ou le nombre de valeurs mobilières détenue à titre de bénéficiaire ou sur lesquelles un contrôle ou une direction est exercé, dans le cas des titres de dette, donner les montants principaux de ceux-ci, et dans le cas des actions, en donner les nombres.



## (6) Under "Nature of Ownership, Control or Direction"

(a) state whether and to what extent your beneficial ownership of securities is direct or indirect, to the extent your ownership is direct indicate in a note or other appropriate manner the name or identity of the intermediary through which the securities are indirectly owned, and state the amount or number of securities held for you by each such intermediary.

(b) report on separate lines securities owned indirectly and securities owned directly in order to distinguish them, and

(c) state whether you exercise control or direction over securities, report the amount or number of each class of such securities on a separate line, and indicate the means by which the control or direction is exercised.

## (7) If you acquired from or sold to the corporation of which you are an insider any of its securities, give details of the transaction.

(8) If you acquired securities through exercising an option, give details of the acquisition and the price paid for each security. If a purchase or sale was affected other than in the open market, give details of the purchase or sale.

(9) If a transaction was not a purchase or sale indicate its character, for example, "gift", "stock dividend", etc. under "Nature of ownership . . .".

**Item 9**

Set out complete insider interest in the securities of the corporation at the end of the month for which the report has been filed, including the results of transactions reported in Item 8.

**Item 10**

Include any additional information or explanation you think relevant.

**Signature**

If the report is filed on behalf of a corporation, partnership, trust or other entity, the name of the corporation or other entity must appear over the signature of the officer or other person authorized to sign the report. If the report is filed by an individual, it must be signed by him or specifically on his behalf by a person authorized to sign for him.

**REFERENCES TO SECTIONS OF THE CANADA BUSINESS CORPORATIONS ACT****Definitions**

"insider" . . . . .	s. 121
"associate" . . . . .	s. 2
"affiliate" . . . . .	s. 2
"corporation" . . . . .	s. 2
"body corporate" . . . . .	s. 2
"distributing corporation" . . . . .	s. 121
"director" . . . . .	s. 2
"officer" . . . . .	s. 121
"share" . . . . .	s. 121
"security" . . . . .	s. 2
Duty to file insider reports . . . . .	s. 122
Publication of reports . . . . .	s. 123
Offence and punishment . . . . .	s. 122
Civil liability of insiders . . . . .	s. 125

## (6) Sous "Nature du droit de propriété, contrôle ou direction",

(a) déclarer si et dans quelle mesure son droit de propriété à titre de bénéficiaire de valeurs mobilières est direct ou indirect, dans la mesure où son droit de propriété est indirect, indiquer dans une référence ou d'une autre manière appropriée le nom ou l'identité de l'intermédiaire par lequel les valeurs mobilières sont indirectement détenues et déclarer le montant ou le nombre de valeurs mobilières ainsi détenues par chaque tel intermédiaire.

(b) rapporter les valeurs mobilières détenues indirectement sur des lignes distinctes des valeurs mobilières détenues directement, et

(c) déclarer si on exerce un contrôle ou une direction sur les valeurs mobilières et rapporter le montant ou nombre sur une ligne distincte dans la mesure où on peut exercer un contrôle ou une direction sur les valeurs mobilières et indiquer le moyen par lequel le contrôle ou la direction est exercé.

## (7) Si on a acquis d'une corporation ou si on a vendu à une corporation dont on est un initié l'une quelconque de ses valeurs mobilières, donner les détails de la transaction.

(8) Si l'acquisition des valeurs mobilières s'est faite au moyen de l'exercice d'une option, donner les détails de l'acquisition et le prix payé pour chaque valeur mobilière. Si un achat ou une vente a été effectué autrement que sur le marché libre, donner les détails de cet achat ou vente.

(9) Si la transaction n'était pas un achat ou une vente, indiquer son caractère; par exemple, "don", "dividende-action", etc. sous "Nature du droit de propriété . . .".

**Rubrique 9**

Indiquer au complet l'intérêt d'initié dans les valeurs mobilières de la corporation à fin du mois pour lequel le rapport a été envoyé, en incluant les résultats des transactions rapportées à la Rubrique 8.

**Rubrique 10**

Inclure tout renseignement ou explication additionnels jugés pertinents.

**Signature**

Si le rapport est déposé au nom d'une corporation, société, fiducie ou autre entité, le nom de la corporation ou autre entité doit apparaître au-dessus de la signature du dirigeant ou autre personne autorisée à signer le rapport. Si le rapport est déposé par un individu, il doit être signé par lui ou spécifiquement en son nom par une personne autorisée à signer pour lui.

**RÉFÉRENCES AUX ARTICLES DE LA LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES****Définitions**

"initié" . . . . .	a. 121
"associé" . . . . .	a. 2
"affiliée" . . . . .	a. 2
"corporation" . . . . .	a. 2
"personne morale" . . . . .	a. 2
"corporation divulgateur" . . . . .	a. 121
"administrateur" . . . . .	a. 2
"dirigeant" . . . . .	a. 121
"action" . . . . .	a. 121
"valeurs mobilières" . . . . .	a. 2
Devoir de déposer des rapports d'inités . . . . .	a. 122
Publication des rapports . . . . .	a. 123
Infraction et pénalité . . . . .	a. 122
Responsabilité civile des initiés . . . . .	a. 125

**REFERENCES TO SECTIONS OF THE CANADA  
CORPORATIONS ACT**

Definitions

"insider" ..... s. 100

"affiliate" ..... s. 100

"company" ..... s. 3

"any other company" ..... s. 3

"public company" ..... s. 100

"director" ..... s. 3

"officer" ..... s. 3

"equity share" ..... s. 3

"security" ..... s. 3

Duty to file insider reports ..... s. 100.1

Public inspection of reports ..... s. 100.2

Offence and punishment ..... s. 100.3

Civil liability of insider ..... s. 100.4

**RÉFÉRENCES AUX ARTICLES DE LA LOI SUR LES  
CORPORATIONS CANADIENNES**

Définitions

"dirigeant" ..... a. 100

"affiliée" ..... a. 100

"compagnie" ..... a. 3

"toute autre compagnie" ..... a. 3

"compagnie publique" ..... a. 100

"administrateurs" ..... a. 3

"fonctionnaire" ..... a. 3

"action donnant droit de vote" ..... a. 3

"valeurs" ..... a. 3

Devoir de déposer les rapports de dirigeant .. a. 100.1

Inspection publique des rapports ..... a. 100.2

Infraction et pénalité ..... a. 100.3

Responsabilité civile du dirigeant ..... a. 100.4

Two signed copies of the report are  
to be filed with:

The Director, Corporations Branch,  
Department of Consumer & Corporate Affairs,

Place du Portage,  
Ottawa/Hull, Canada,  
K1A 0C9.

Deux copies signées du rapport doivent être  
transmises à l'adresse suivante:

Le Directeur, Direction des Corporations,  
Ministère de la Consommation et des  
Corporations,

Place du Portage,  
Ottawa/Hull, Canada,  
K1A 0C9.

CANADA BUSINESS CORPORATIONS ACT FORM 25 REPORT OF CHANGE IN INSIDER INTEREST IN THE SECURITIES OF THE CORPORATION ss. 122(4)		LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES FORMULE 25 RAPPORT DU CHANGEMENT DE L'INTÉRÊT D'UN INTIÉ DANS LES VALEURS MOBILIÈRES D'UNE CORPORATION PARAGRAPHE 122(4)			
1 - Name of Corporation of which the undersigned is insider Nom de la corporation dont le soussigné est initié		2 - Corporation No. N <sup>o</sup> de la corporation			
3 - Full name of the undersigned Nom et prénoms du soussigné		4 - Residential address of the undersigned - Adresse résidentielle du soussigné			
5 - Indicate in what capacity or capacities the undersigned qualifies as an insider Indiquer en vertu de quel(s) fonction(s) le soussigné a droit au titre d'initié					
<input type="checkbox"/> Director / Administrateur <input type="checkbox"/> Officer / Dirigeant <input type="checkbox"/> Own, control or exercise direction over more than 10% of shares / Est propriétaire, exerce un contrôle ou une direction sur plus de 10% des actions <input type="checkbox"/> Deemed insider / Présumé initié <input type="checkbox"/> Distributing Corporation which has acquired shares issued by itself or by any of its affiliates / Corporation distributrice qui a acquis des actions émises par elle-même ou l'une de ses affiliées					
6 - Information given for calendar month of / Renseignements donnés pour le mois civil de		7 - Last insider report filed on / Dernier rapport d'initié déposé le			
8 - Changes during month in the undersigned's interest in the securities of the corporation including a) securities beneficially owned directly or indirectly by the undersigned, and b) shares over which the undersigned may exercise control or direction Changements survenus au cours du mois dans l'intérêt du soussigné à l'égard des valeurs mobilières de la corporation y compris a) les valeurs mobilières dont le soussigné est directement ou indirectement propriétaire bénéficiaire et b) les actions sur lesquelles le soussigné peut exercer un contrôle ou une direction					
Designation of securities / Désignation des valeurs mobilières	Date of purchase or sale transaction / Date d'achat ou de vente	Amount or number purchased or otherwise acquired / Montant ou nombre, à l'égard d'achat ou autre acquisition	Amount or number sold or otherwise disposed of / Montant ou nombre, à l'égard de vente ou autre aliénation	Price per share or unit sold or otherwise acquired or disposed of / Prix par action ou unité vendu ou autre acquisition ou aliénation (See - Voir Instructions)	Nature of ownership control or direction / Nature du droit de propriété ou de la direction (See - Voir Instructions)
9 - Insider interest in the securities of the corporation at the end of the month including a) securities beneficially owned directly or indirectly by the undersigned, and b) shares over which the undersigned may exercise control or direction Intérêt de l'initié dans les valeurs de la corporation à la fin du mois, y compris a) les valeurs mobilières dont le soussigné est directement ou indirectement propriétaire bénéficiaire et b) les actions donnant le droit de vote sur lesquelles le soussigné peut exercer un contrôle ou une direction					
Designation of securities / Désignation des valeurs mobilières	Amount or Number / Montant ou nombre	Nature of Ownership control or direction / Nature du droit de propriété, du contrôle ou de direction			
10 - Additional remarks - Observations complémentaires		The undersigned certifies that the information in this report is true and complete in every respect. Le soussigné certifie par les présentes que les renseignements donnés dans le présent rapport sont véridiques et complets à tous égards.			
		Date	Signature		

IT IS AN OFFENCE UNDER THE CANADA BUSINESS CORPORATIONS ACT TO FILE A FALSE OR MISLEADING REPORT.  
 FOURNIR UN RAPPORT FAUX OU TROMPEUR CONSTITUE UNE INFRACTION EN VERTU DE LA LOI SUR LES CORPORATIONS COMMERCIALES CANADIENNES  
 CCA-875 (11-75)

Example 27

Schedule "A"

TO THE MINISTER OF CONSUMER AND CORPORATE AFFAIRS:

IN THE MATTER OF SUBSECTION 100.1(10) OF THE CANADA CORPORATIONS ACT, R.S.C. 1970 CHAPTER C-32, AND AMENDMENTS THERETO

AND

IN THE MATTER OF ..... (Name of Company) ..... herein referred to as the "Company"

APPLICATION

- 1. The undersigned, ..... (Name of Applicant and Relationship to the Company) ....., herein referred to as "Applicant", hereby makes application to the Minister of Consumer and Corporate Affairs on behalf of individual insiders of the Company who are not, because of their office, in a position to have access, directly or indirectly, to confidential information the announcement of which could materially affect the value of the securities of the Company, for an Order of Exemption under subsection 100.1(10) of the Canada Corporations Act, R.S.C. 1970, Chapter C-32 as amended.
2. In support of this application, is attached hereto a Declaration of Bona Fides of ..... (Name) ..... together with supporting Exhibits.
3. It is requested that the exemption described in paragraph one (1) be granted to all individuals who are insiders of the Company only because they occupy a position of director or officer of any other company which is an affiliate of the Company, except individuals who occupy a position of director or officer of the following companies:

(List of companies whose directors and officers are not to be exempt.)

NOTE: Usually the companies listed will be those which are shown on Exhibits "B", "C", "D", "E" and "F" of the Declaration of Bona Fides.

- 4. It is requested that the Order be in force for a period of three (3) years from the date of its issuance.

DATED this ..... day of ....., 19 ..... at the City of .....,

Province of .....

(Signature of Applicant)

## Example 27A

## Schedule "B"

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS  
 IN THE MATTER OF THE CANADA CORPORATIONS ACT  
 AND

IN THE MATTER OF AN APPLICATION BY  
*(name of Applicant)*

FOR AN ORDER OF EXEMPTION UNDER SUBSECTION 100.1(10)  
 ON BEHALF OF CERTAIN OF

THE INSIDERS OF ..... *(Name of Company)* .....  
*Hereinafter called the "Company"*

**DECLARATION OF BONA FIDES**

I, ..... *(Name)* ....., of ..... *(Address)* ....., in the  
 Municipality of ....., Province of ..... DO SOLEMNLY  
 DECLARE THAT:

1. I am the ..... *(Title of Position)* ..... and as such have knowledge or am informed and do verily believe that:
2. Exhibit "A", attached to this Declaration is a complete list of all affiliated companies of the Company as of the date of this Declaration;
3. Exhibit "B", attached to this Declaration is a complete list of all the companies that control directly or indirectly the Company;
4. Exhibit "C", attached to this Declaration is a complete list of the subsidiary companies whose gross revenue constitutes more than ten percent (10%) of the consolidated gross revenue of the Company;
5. Exhibit "D", attached to this Declaration is a completed list of the affiliated companies that are engaged in Research and Development or Exploration, the announcement of whose reports could materially affect the value of the securities of the Company;
6. Exhibit "E", attached to this Declaration is a complete list of the affiliated companies that supply essential material or services to the Company or to any of its subsidiaries listed on Exhibit "C", on such a scale or of such an essential nature that events affecting that supply could materially affect the value of the securities of the Company;

- 7. Exhibit "F", attached to this Declaration is a complete list of the affiliated companies not listed in exhibits "B", "C", "D" and "E" and whose directors and officers are, because of their office, in a position to have access regularly to confidential information the announcement of which could materially affect the value of the securities of the Company.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

Declared before me at the City of .....  
 ....., in the Province of .....,  
 this ..... day of .....,  
 19..... .

.....

.....  
 (Signature)

Example 28

Schedule "C"

IN THE MATTER OF THE CANADA CORPORATIONS ACT

AND

FOR AN ORDER OF EXEMPTION UNDER SUBSECTION 100.1(10)  
ON BEHALF OF CERTAIN OF

THE INSIDERS ..... (*Name of Company*) .....

*Hereinafter called the "Company"*

**ORDER**

UPON THE APPLICATION OF ..... (*Name of Applicant*) .....  
pursuant to subsection 100.1(10) of the Canada Corporations Act, R.S.C.  
1970 (1st Supplement) for an order exempting certain of the insiders of  
the Company, from the reporting requirements of Section 100.1 of the  
said Act.

AND UPON reading and considering the Declaration of Bona Fides and  
documents filed and such other submissions in relation to the said applica-  
tion,

AND UPON being satisfied that there is adequate justification for so  
doing,

IT IS HEREBY ORDERED that effective ..... (*Date*) ..... any individual  
who is an insider of the Company by reason only that he occupies a posi-  
tion of director or officer of any other company which is an affiliate of the  
Company, is exempt from the reporting requirements of Section 100.1 of  
the Canada Corporations Act with respect to the securities of the Com-  
pany, except individuals who occupy a position of director or officer of the  
following companies:

*List of companies whose directors and officers are not exempt*

THIS ORDER shall expire on the ..... (*Date*) ..... unless it is revoked  
before then.

GIVEN under the seal of office of the Minister of Consumer and Cor-  
porate Affairs at Ottawa, this ..... day of ....., 19.....

.....  
(*Signature*)

**Example 29**

**Information Statement No. 9**

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**Information Statement No. 9****(Date of Issue)****General Guidelines and Procedures Relating to Applications  
for Exemption from Insider Reporting Requirements — Canada  
Business Corporations Act Subsection 122(8) — Canada Corporations  
Act Subsection 100.1(10)****1.00 Introduction****1.01 In this document**

“distributing corporation” means the corporation the securities of which are the object of the application for exemption.

“person” means an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

“major subsidiary body corporate” means a subsidiary of a distributing corporation, the gross revenue of which amounts to more than ten percent (10%) of the consolidated gross revenue of the distributing corporation.

“securities” means the shares of a distributing corporation or the debentures or other bonds of a distributing corporation whether guaranteed or not.

**1.02 Where an application is made pursuant to subsection 100.1(10) of the Canada Corporations Act (CCA), in these guidelines and administrative procedures**

“corporation” means “company”,

“body corporate” means “any other company”,

“distributing corporation” means “public company, and

“Director” means “Minister”.

**1.03 The purpose of the Information Circular is to publish the administrative policies, conditions and general guidelines established by the Director which will be applied and followed in determining whether or not an exemption order should be granted as a result of an application made on behalf of individuals who are insiders in a distributing corporation by reason only that they occupy a position of director or officer of any other body corporate which is an affiliate of this distributing corporation.****1.04 To assist applicants and facilitate the processing of the application by the Director, a specimen of the documents to be included with Form 16 is reproduced in Schedules “A”, “B”, “C” and “D” of this Information Circular.**

- 1.05 The guidelines and administrative procedures described in this Information Circular have been established bearing in mind the applicable provisions of the Canada Business Corporations Act (CBCA) and the purposes for which they are enacted.
- 1.06 The objective of the insider trading provisions is to provide the investing public with information concerning tradings involving securities of the distributing corporation acquired by and disposed of by persons defined in the CBCA who have access to confidential information concerning the business and affairs of the distributing corporation.
- 1.07 References to sections of the CBCA
  - Definitions:
  - “insider” ..... s.121
  - “affiliate” ..... s.2
  - “corporation” ..... s.2
  - “body corporate” ..... s.2
  - “distributing corporation” ..... s.121
  - “director” ..... s.2
  - “officer” ..... s.121
  - “security” ..... s.2
- 1.08 References to sections of the CCA
  - Definitions:
  - “insider” ..... s.100
  - “affiliate” ..... s.100
  - “company” ..... s.3
  - “any other company” ..... s.3
  - “public company” ..... s.100
  - “director” ..... s.3
  - “officer” ..... s.3
  - “security” ..... s.3

**2.00 General Guidelines**

**2.01 Persons who should not be Exempted**

*Except in special circumstances*, such as for example, where there is an extensive chain of controlling bodies corporate not permitting some insiders access to confidential information or where some insiders have access to confidential information in exceptional situations, an exemption order will not be granted to an insider who falls into one of the following categories:

2.01(1) *Individuals who are insiders in a distributing corporation by virtue of occupying a position as a director or officer of the distributing corporation.*

Directors and officers of distributing corporations and persons occupying the position of director or officer should obviously not be exempted from filing

a report, since they have access, by virtue of their position, to confidential information before such information is made public, and they could consequently take advantage of this knowledge and benefit from it for personal gain.

- 2.01(2) *Any other body corporate, whatever the place of its incorporation, that is an affiliate of the distributing corporation, except where required to file an initial "nil" report.*

The purpose of not granting exemption to such bodies corporate is to ensure the divulgence of transactions involving the securities of the distributing corporation conducted through any other body corporate controlled by persons whose positions give them access to confidential information.

It should, however, be noted that any other body corporate which is an insider of the distributing corporation is not required to file an insider's report if the transaction involving the securities of the distributing corporation was reported by another body corporate or individual in accordance with subsection 122(5) and 122(6) of the CBCA (subsections 100.1(6) and 100.1(7) of the CCA).

This means that several other bodies corporate which are insiders of the distributing corporation may take advantage of the provisions of the paragraphs cited above when the transactions conducted by these other bodies corporate are reported by a person who is directly or indirectly, an owner of them.

Noting that the initial "nil" report is not required to be filed under the CCA but is required under subsection 122(2) of the CBCA.

- 2.01(3) *Individuals who are insiders of the distributing corporation by virtue of the fact that they occupy the position of director or officer of any other body corporate which directly or indirectly, controls the distributing corporation.*

Control, in the sense in which it is used in the paragraph, has the same meaning as in subsection 2(3) of the CBCA; that is, any other body corporate is deemed to exercise control of shares of the body corporate carrying voting rights sufficient to elect a majority of the directors of the body corporate are held, directly or indirectly, other than by way

of security only, by or on behalf of that body corporate.

Where the application is made under the CCA, the term "control" used in this paragraph has the same meaning as in subsection 125(4) of the CCA; that is, a company whose shares 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 another company or person or by or for the benefit of two or more companies and the votes carried by such shares are sufficient, if exercised, to elect a majority of the board of directors of the company.

The above individuals will not be exempted since it is felt that, in view of their position in other bodies corporate which control the distributing corporation, they could, if they so desire, have access to confidential information concerning the operations of the distributing corporation before such information is released to the public.

- 2.01(4) *Individuals who are insiders of the distributing corporation by virtue of the fact that they occupy a position of director or officer of any other body corporate which is a subsidiary of the distributing corporation and has a gross revenue which represents more than ten percent (10%) of the consolidated gross revenue of the distributing corporation.*

The operating results of a major subsidiary body corporate are likely to affect materially the operating results of its holding body corporate. Because of this, the directors and officers of a major subsidiary corporate are in a position to know the effect that these results will have on the operating results of the holding body corporate, since they will know the operating results of their body corporate before this information is made public and will consequently also know the effect that these results might have on the value of the securities of the holding body corporate.

The identification of subsidiary bodies corporate which might have a significant impact on the value of the securities of the distributing corporation may prevent certain difficulties. For the purposes of establishing policies pertaining to applications for exemption from filing an insider report, it was felt that a subsidiary contributing more than ten percent

(10%) of the gross revenue of the distributing corporation would normally have a significant impact. However, subsidiaries that make an extraordinary and non-recurring contribution to the holding body corporate's revenue are not considered to be a major subsidiary body corporate for the purpose of paragraph 2.01(4) above.

2.01(5) *Individuals who are insiders of the distributing corporation by virtue of the fact that they occupy a position of director or officer of an affiliated body corporate engaged in Research and Development or Exploration, the results of which, when announced is likely to materially affect the value of the securities of the distributing corporation.*

2.01(6) *Individuals who are insiders of the distributing corporation by virtue of the fact that they occupy a position of director or officer of an affiliated body corporate that supplies essential material or services to the distributing corporation or to a major subsidiary body corporate, if such supply is in such a scale or of such an essential nature that events affecting that supply is likely to materially affect the value of the securities of the distributing corporation.*

Paragraphs 2.01(5) and 2.01(6) above are intended to identify individuals not excluded in the preceding paragraphs who, by virtue of the nature of the activities of the body corporate of which they are directors or officers, are in a position to obtain in advance of the public information, the release of which is likely to materially affect the value of the securities of the distributing corporation.

## 2.02 **Effect and Duration of an Exemption Order**

### 2.02(1) *Effect of an exemption order*

An exemption order applies not only to persons who are insiders of the distributing corporation on the date of its issuance, but also to persons who become insiders during the time the exemption order is in effect.

Thus, persons who become insiders of the distributing corporation during the time the exemption order is in effect and who are not exempted must comply with the provisions of the CBCA pertaining to insider reports.

2.02(2) *Maximum duration of an exemption order*

As a general rule, an exemption order will not be in effect for more than three (3) years from the date of issue, and in all cases exemption orders may be revoked at any time by the Director before their expiry date.

No exemption order will be revoked without notification to the applicant, in order to enable him to submit new documentation in support of his application.

2.02(3) *Retrospective effect of the order*

Although subsection 122(8) of the CBCA (subsection 100.1(10) of the CCA) authorizes the Director to make an exemption order having retrospective effect when there is sufficient justification for so doing, it is not anticipated that it will be necessary to apply this provision frequently. Every application for exemption having retrospective effect will therefore be considered on its merit.

**3.00 Exemption Order Procedure**

**3.01 Who may Apply**

Subsection 122(8) of the CBCA (subsection 100.1(10) of the CCA) stipulates that applications must be made by an insider or on his behalf. Although it appears from the wording of this subsection that a separate application must be made on behalf of each insider, it is recognized that this requirement could cause serious inconvenience, and as a result, an application by any interested person on behalf of all insiders of the distributing corporation will be accepted for consideration.

A distributing corporation is an interested person empowered to make an application on behalf of its insiders.

A separate application must be made, however, for each distributing corporation, even if two or more distributing corporations belong to the same group of corporations.

**3.02 Format of the Application**

Part IX of the Regulations under the CBCA provides for the procedure to be followed in the making of an application for exemption.

It is suggested that the same procedure should be followed for an application made under the CCA. In such a case the applicant should, for the preparation of the required documents, use the appropriate terminology applicable to the CCA.

In both cases, the application shall be made to the Director on Form 16 (CBCA Regulations).

### 3.03 Documents Required in Support of an Application for Exemption

The CBCA Regulations (Instructions Form 16) require that each application for exemption must be supported by a Description and details of exemption sought, a Statement of facts that states the issue and summarizes briefly the material facts, an Argument that states the legal, economic or other reasons why the application should be granted and a Statutory Declaration under the Canada Evidence Act that attests in general to the truth of the facts stated in the Statement of facts and to the validity of any document referred to in the Statement of facts that is incorporated by reference in the Statutory Declaration.

#### 3.03(1) *Document "1" — Description and Details of the exemption sought*

In Schedule "A" of this Information Circular is reproduced a model of Description and details of exemption sought. The applicant may write his application as he thinks fit. However, in order to avoid delays and facilitate consideration of the application, the description should preferably be prepared using the format suggested in Schedule "A".

#### 3.03(2) *Document "2" — Statement of facts*

Certain information concerning the distributing corporation and its affiliated corporations will be required to make it possible to identify bodies corporate, the directors and officers of which will not be exempted by the order in accordance with the general guidelines set out in section 2.01 above.

Schedule "B", attached to this Information Circular, is a model of a Statement of facts which is acceptable. Although it would be preferable for applicants to use this model to facilitate the consideration of their application, other types of statements will also be acceptable provided that they contain the basic information required.

It is recommended that the information required be submitted in the form of exhibits referred to in the Statement of facts and incorporated by reference in the Statutory Declaration.

"Nil" exhibits are not required and a simple mention to that effect in the Statement of facts is sufficient.

The Statement of facts may refer to each exhibit without an additional explanation of its content.

Instead of a list of affiliated bodies corporate as required in paragraph 1 of Document "2" (Schedule "B"), an organization chart may be provided showing the names of all bodies corporate belonging to the organization.

If for any reason Exhibit "A" referred to in Document "2" does not contain a list of all affiliated bodies corporate or an organization chart showing the structure of the organization to which the distributing corporation belongs, the application will be handled as a special application, as described in section 4.02 of this Information Circular.

3.03(3) *Document "3" — Argument*

Where Documents "1" and "2" are prepared in accordance with the suggested formats as shown in Schedules "A" and "B", it is sufficient that the Argument (Document "3") contains the text suggested in Schedule "C" of the Information Circular. If, furthermore, the applicant requests that the Director issue an order exempting insiders who would not ordinarily be exempt by virtue of the guidelines set out in section 2.01 above, the applicant must give in the Argument the reasons which, according to him, justify a departure from the guidelines and explain why such an exemption should be granted to these insiders.

3.03(4) *Document "4" — Statutory Declaration*

Since it is required by the CBCA Regulations (Instructions Form 16) and since the Director will have to refer to the information contained in the application form and in Documents "1", "2" and "3", it will be necessary for these documents to be accompanied by a Statutory Declaration (Document "4") signed by the applicant or any other individual with personal knowledge of the facts.

Schedule "D" of this Information Circular reproduces a model of a Statutory Declaration acceptable to the Director.

3.03(5) *Other documents*

Form 16 provides for the inclusion by the applicant, if he sees fit, of any other information submitted in support of his application in the form of documents.

3.04 **Special Cases**

When, as a result of special circumstances or for valid reasons, the applicant considers that the exemption order should



(a) also apply to persons who would not normally be eligible for exemption by reason of the general guidelines listed in section 2.01 above, or

(b) be in effect for a period of more than three (3) years, it is recommended that the exemption desired by the applicant be described clearly in the Document "1", Description and details of the exemption sought.

In addition, as indicated in paragraph 3.03(4) above, it is recommended that the special circumstances and reasons justifying a departure from the guidelines be described in detail in the Argument, Document "3".

#### **4.00 Administrative Guidelines**

All applications received by the Director are immediately acknowledged, reviewed and classified on the basis of whether or not they conform to the guidelines and formats contained in this Information Circular.

##### **4.01 Current Application**

Once it has been established that the application contains all the necessary information and conforms to the guidelines set out in section 2.00 above, an exemption order similar to the one appended as Schedule "E" to the end of this Information Circular will be issued without delay.

It is assumed that a maximum of (3) weeks will be required for processing applications of this type.

##### **4.02 Special Applications**

Applications received in a format that is substantially different from that suggested in the Information Circular, or that contain a request for an exemption that is not in accordance with the guidelines contained in section 2.00 above, will be also acknowledged.

If after the documents and information received have been studied it is felt that the exemption should be granted as requested, an order to that effect will be issued.

If the exemption cannot be issued, the applicant will be so advised in writing and invited, if he wishes, to

(a) change his application, or

(b) submit additional information in support of his application.

##### **4.03 Decision on the Application**

Upon receipt of any additional information submitted by the applicant or by any other person at the request of the Director, a final decision will be made on the application. This decision will be communicated to the applicant or an appropriate order will be issued.

Document "1"

Schedule "A"

TO THE DIRECTOR:

IN THE MATTER CONCERNING SUBSECTION 122(8) OF THE  
CANADA BUSINESS CORPORATIONS ACT,  
S.C. 1974/75, CHAPTER C-33

AND

IN THE MATTER CONCERNING (*Name of distributing corporation*)  
(*hereinafter called the "Distributing Corporation"*)

**DESCRIPTION AND DETAILS OF THE EXEMPTION SOUGHT**

1. This application is for an exemption order under subsection 122(8) of the Canada Business Corporations Act, S.C. 1974/75, Chapter C-33, on behalf of individuals who are insiders of the Distributing Corporation and who do not by virtue of the positions they occupy, enjoy access, directly or indirectly, to confidential information, the release of which is likely to materially affect the value of the securities of the Distributing Corporation.
2. The applicant requests that the exemption mentioned in paragraph (1) above be granted to all individuals who are insiders of the Distributing Corporation solely by reason of the fact that they occupy a position of director or officer of any other body corporation which is an affiliate of the Distributing Corporation, except for individuals who occupy a position of director or officer in the following bodies corporate:  
*(List of bodies corporate, the directors and officers of which should not be exempted)*
3. The applicant also requests that the order exempt any other body corporate, whatever the place of its incorporation, that is an affiliate of the Distributing Corporation from filing, where required, an initial "nil" report.
4. If the exemption order is made, it is requested that it be in effect for a period of three (3) years from the date of issue.

Dated this ..... day of ....., 19 .. , at the City of .....  
....., Province of .....

.....  
(Signature)

Document "2"

Schedule "B"

IN THE MATTER OF THE  
CANADA BUSINESS CORPORATIONS ACT  
AND  
IN THE MATTER OF AN APPLICATION BY  
*(Name of applicant)*

FOR THE ISSUING OF AN EXEMPTION ORDER UNDER  
SUBSECTION 122(8) ON BEHALF OF CERTAIN INSIDERS OF

*(Name of the Distributing Corporation)*

*(hereinafter called the "Distributing Corporation")*

**STATEMENT OF FACTS**

1. Exhibit "A" attached to the Statutory Declaration is a complete list of all affiliated bodies corporate of the Distributing Corporation on the date of this Statement;
2. Exhibit "B" attached to the Statutory Declaration is a complete list of all bodies corporate which control, directly or indirectly, the Distributing Corporation.
3. Exhibit "C" attached to the Statutory Declaration is a complete list of all subsidiary bodies corporate, the gross revenue of which constitutes more than ten percent (10%) of the consolidated gross revenue of the Distributing Corporation;
4. Exhibit "D" attached to the Statutory Declaration is a complete list of affiliated bodies corporate engaged in Research and Development or Exploration, announcement of the results of which is likely to materially affect the value of the securities of the Distributing Corporation;
5. Exhibit "E" attached to the Statutory Declaration is a complete list of affiliated bodies corporate supplying to the Distributing Corporation or to any of its subsidiaries listed in Exhibit "C", material or services, the essential nature and scale of which are such that factors affecting this supply are likely to materially affect the value of the securities of the Distributing Corporation;
6. Exhibit "F" attached to the Statutory Declaration is a complete list of all affiliated bodies corporate not listed in Exhibits "B", "C", "D" and "E", the directors and officers of which, by virtue of the positions they occupy, enjoy regular access to confidential information, the release of which is likely to materially affect the value of the securities of the Distributing Corporation.

Dated this ..... day of ....., 19...., at the City of .....  
....., Province of .....

.....  
*(Signature)*

Document "3"

Schedule "C"

IN THE MATTER OF THE  
CANADA BUSINESS CORPORATIONS ACT  
AND

IN THE MATTER OF AN APPLICATION BY  
*(Name of applicant)*  
.....

FOR THE ISSUING OF AN EXEMPTION ORDER UNDER  
SUBSECTION 122(8) ON BEHALF OF CERTAIN INSIDERS OF  
*(Name of the Distributing Corporation)*  
.....

*(hereinafter called the "Distributing Corporation")*

**ARGUMENT**

1. This application is made pursuant to subsection 122(8) of the Canada Business Corporations Act which empowers the Director to make an order exempting insiders from any reporting requirement.
2. This application for exemption is made on behalf of individuals who are insiders of the Distributing Corporation and who do not by virtue of the positions they occupy, enjoy access, directly or indirectly, to confidential information, the release of which is likely to materially affect the value of the securities of the Distributing Corporation.
3. The exemption order, if granted as requested, would not deprive the investing public of information concerning any trading involving securities of the Distributing Corporation acquired by or disposed of by insiders who have access to confidential information concerning the operational results of the Distributing Corporation.

Dated this ..... day of ....., 19 .., at the City of .....  
....., Province of .....

.....  
*(Signature)*

Document "4"

Schedule "D"

IN THE MATTER OF THE  
CANADA BUSINESS CORPORATIONS ACT

AND

IN THE MATTER OF AN APPLICATION BY

*(Name of applicant)*  
.....

FOR THE ISSUING OF AN EXEMPTION ORDER UNDER  
SUBSECTION 122(8) ON BEHALF OF CERTAIN INSIDERS OF

*(Name of the Distributing Corporation)*  
.....

*(hereinafter called the "Distributing Corporation")*

**STATUTORY DECLARATION**

I, ..... *(name)* ....., of ..... *(address)* ....., in  
the Municipality of ....., Province of .....

SOLEMNLY DECLARE

1. THAT I am the ..... *(Title of position and relationship with the Distributing Corporation)* .....
2. THAT I have knowledge or am informed of the matter and that the allegations contained in the Statement of facts and in the Argument are, to the best of my knowledge and belief, true in substance and in fact.
3. THAT the information contained in Exhibits "A", "B", "C", "D" "E" and "F" attached to this Declaration and referred to in the Statement of facts are to the best of my knowledge and belief, true in substance and in fact.
4. THAT this Declaration is made in good faith and not for any improper purpose and is made to support the application of ..... *(name)* ..... for an order granting an exemption to certain insiders of the Distributing Corporation under subsection 122(8) of the Canada Business Corporations Act.

AND I make this declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at .....,  
in the Province of .....,  
on this .....th day of .....,  
19.....

.....  
*(signature)*

.....  
*(signature)*

Schedule "E"

IN THE MATTER CONCERNING THE  
CANADA BUSINESS CORPORATIONS ACT

AND

IN THE MATTER OF THE APPLICANT OF  
*(Name of applicant)*

.....  
FOR THE ISSUING OF AN EXEMPTION ORDER UNDER  
SUBSECTION 122(8) ON BEHALF OF CERTAIN  
INSIDERS OF ..... *(Name of Distributing Corporation)* .....  
*(hereinafter called the Distributing Corporation)*

**ORDER**

UPON THE APPLICATION of ..... *(Name of Applicant)* ..... in  
accordance with subsection 122(8) of the Canada Business Corporations  
Act, S.C. 1974/75, Chapter C-33, for the issuing of an order exempting  
certain insiders of the Distributing Corporation from the obligation to file  
a report as required under section 122 of the Act;

AND AFTER reading and studying the application, the documents  
and other supporting exhibits submitted with the application;

AND being convinced that this application is fully justified;

IT IS HEREBY ORDERED that from .... *(date)* .... any individual  
who is an insider of the Distributing Corporation by reason only that he  
occupies a position of director or officer of any other body corporate  
affiliated with the Distributing Corporation, is exempted from submitting the  
reports required under section 122 of the Act concerning the securities of  
the Distributing Corporation, except for individuals occupying a position  
of director or officer in the following bodies corporate:

*("list of bodies corporate, the directors and officers of which  
are not exempted")*

AND IT IS FURTHER ORDERED that from ..... *(date)* .....  
any body corporate which is an affiliate and an insider of the Distributing  
Corporation is exempted from submitting an initial "nil" report as required  
by section 122 of the Act.

THIS ORDER will expire on ..... *(date)* ..... , unless revoked prior  
to this date.

GIVEN at Ottawa, this ..... day of ..... , 19.....

.....  
*(signature)*

**Example 30****In the Supreme Court of Ontario**

IN THE MATTER OF paragraph 129(1)(c) of the Canada Corporations Act, R.S.C. 1970, c. C-32 and amendments thereto:

AND IN THE MATTER OF the application of ABC Limited

**AFFIDAVIT**

I, John Doe, of the City of Shawnee, in the State of Kansas, one of the United States of America, do make oath and say as follows:

1. I am the Internal Audit Manager of ABC Limited (the "Applicant") and, as such, have knowledge of the matters hereinafter deposed of.
2. The Applicant is a private corporation incorporated under a predecessor of the Canada Corporations Act, R.S.C. 1970, chapter C-32, as amended (the "Act") by letters patent of incorporation dated February 27, 1971.
3. This is an Application pursuant to the provisions of Section 129.3 of the Act for an Order exempting the Applicant in part from the provisions of paragraph 128(1)(b) thereof by permitting it to file financial statements with the Department of Consumer and Corporate Affairs (the "Department") reported upon by an auditor who is an employee of the Applicant.
4. The Applicant's head office is located in the Municipality of Metropolitan Toronto.
5. Since its incorporation the Applicant has carried on in Canada the business of an advertising agency.
6. The entire issued capital of the Applicant is owned by ABC Incorporated, ("ABC U.S."), a private corporation incorporated under the laws of the State of Missouri, all of the issued capital of which is, in turn, owned by XYZ Inc. ("XYZ U.S."), a public corporation incorporated under the laws of the State of Missouri. The deponent is the Internal Audit Manager of XYZ U.S. and has been designated a certified internal auditor by the Institute of Internal Auditors, Inc.
7. The gross revenue and total assets of the Applicant during its last completed fiscal year and at the end of such fiscal year respectively were not in excess of the limits set out in paragraph 128(3)(b) of the Act and the Applicant therefore is not by reason only of its own gross revenue and total assets obligated to file its financial statement with the Department in accordance with the provision of paragraph 128(1)(b) of the Act.
8. However, by reason of the provisions of subsection 128(4) of the Act, the Applicant must include with its gross revenue and total assets the gross revenue and total assets of companies with which it is affiliated within the meaning of the Act and, when this inclusion is

made, the aggregate of the gross revenue and total assets of the Applicant and its affiliated companies does exceed the limits set out in paragraph 128(3)(b).

9. Section 131 of the Act provides, in effect, that a company, such as the Applicant, to which paragraph 128(1)(b) applies may not take advantage of the private company exception contained in subsection 131(2) which would otherwise permit it to appoint as its auditor a person who is a director, officer or employee of the company.
10. Because shares of XYZ U.S. are publicly held and are listed for trading on the New York Stock Exchange,, XYZ U.S. is subject to the disclosure and financial reporting requirements of both the Securities and Exchange Commission and of the New York Stock Exchange.
11. The auditors of XYZ U.S. are Messrs. Brown & Co., certified public accountants.
12. Now produced and shown to me and marked Exhibit "A" to this my affidavit is the Annual Report of XYZ U.S. for the fiscal year ended April 30, 1972 together with its financial statements prepared on a consolidated basis, including the financial position and results of ABC U.S. and of the Applicant, and certified by Messrs. Brown & Co.
13. In accordance with generally accepted auditing standards, it is the practice of Messrs. Brown & Co., in performing its audit function with respect to the subsidiaries of XYZ U.S., to perform a sufficient range of audit tests to permit certification of the XYZ U.S. financial statements on a consolidated basis.
14. I am advised by Messrs. Brown & Co., and do verily believe that if that firm were to issue an opinion on the unconsolidated financial statements of the Applicant, the cost to the Applicant would be approximately \$1,500 annually.
15. By reason of the provisions of subsection 128(4) of the Act, the Applicant would not be required to aggregate with its gross revenue and total assets the gross revenue and total assets of its parent company and therefore would not be required to make any disclosure of its financial condition if that parent company were a Canadian corporation which filed consolidated financial statements with the Department in accordance with subsection 128(1)(b) of the Act. Yet because the Applicant's parent company is a foreign corporation, it must not only disclose, which it is prepared to do, but must also suffer the expense of an independent audit. This, in the Applicant's submission, is itself a serious and unfair detriment to its interests.
16. If the Order applied for herein is granted, then in accordance with the conditions outlined in Exhibit "D" annexed hereto and referred to in paragraph 19 hereof, the Applicant will file with the Department financial statements which comply in all other respects with the provisions of the Act but which will be certified by this deponent as auditor. Annexed to this my affidavit and marked Exhibit "B" are



pro forma financial statements of the Applicant for the fiscal year ending April 30, 1973. The financial statements to be filed by the Applicant with the Department prior to the 1973 annual meeting of shareholders of the Applicant will be substantially in the form of the said pro forma financial statements.

17. It is submitted that the interest of the public in having disclosure of the Applicant's financial condition will therefore be fully protected.
18. Annexed to this my affidavit and marked Exhibit "C" is a form of consent executed by ABC U.S. consenting to the making of the application herein. Because the sole shareholder of the Applicant has given its consent as aforesaid, it is submitted that there exists no shareholder interest which could be adversely affected by the granting of the Order applied for.
19. Annexed to this my affidavit and marked Exhibit "D" is a copy of a letter dated March 7, 1973 from Mr. \_\_\_\_\_, the Acting Assistant Director (Compliance) to the Department addressed to the Controller of XYZ U.S. together with an attached form of letter referring to the basis on which the Department would not oppose the instant application.
20. It is submitted that because
  - (a) the Applicant is prepared to file financial statements with the Department which will provide full disclosure,
  - (b) the sole shareholder of the Applicant has consented to the granting of the Order sought, and
  - (c) the financial statements of XYZ U.S. (with which are consolidated the results of the Applicant) are reported upon by independent auditors,
 it would in the circumstances be seriously and unfairly detrimental to the interests of the Applicant if it were required to pay for the services of an independent auditor.
21. This affidavit is made in good faith and not for any improper purpose in support of the aforesaid application.

SWORN before me at Kansas )  
 )  
 City, Missouri, one of the )  
 )  
 United States of America, )  
 )  
 this 20th day of June, 1973. )

.....  
*A Notary Public*

## Exhibit "B"

**ABC LIMITED**

123 Bloor Street West, Toronto, Canada

**Balance Sheet April 30, 1973**  
(with comparative figures for 1972.)

	<b>Assets</b>	
	1973	1972
Current Assets:		
Cash	\$ xx	\$ xx
Certificates of Deposit	xx	xx
Accounts Receivable	xx	xx
Prepaid Expenses	xx	xx
Inventory (valued at the lower of cost or market)	<u>xx</u>	<u>xx</u>
<i>Total Current Assets</i>	<u>\$ xx</u>	<u>\$ xx</u>
Property and Equipment (at cost)	\$ xx	\$ xx
Less: accumulated depreciation	<u>xx</u>	<u>xx</u>
<i>Total Fixed Assets</i>	<u>\$ xx</u>	<u>\$ xx</u>
Other assets	<u>\$ xx</u>	<u>\$ xx</u>
	<u>\$ xx</u>	<u>\$ xx</u>

Signed on behalf of the Board:

.....  
*Director*.....  
*Director*

**ABC LIMITED**

123 Bloor Street West, Toronto, Canada

**Balance Sheet April 30, 1973**  
(with comparative figures for 1972)**Liabilities and Shareholders' Equity**

	1973	1972
Current Liabilities:		
Due to ABC Incorporated	\$ xx	\$ xx
Accounts Payable	xx	xx
Income and other taxes payable	xx	xx
Accrued Payroll and Bonuses	xx	xx
Refundable Deposits	<u>xx</u>	<u>xx</u>
<i>Total Current Liabilities</i>	<u>\$ xx</u>	<u>\$ xx</u>
Shareholders' Equity:		
Capital Stock		
Authorized: 50,000 shares without par value	<u>\$ xx</u>	<u>\$ xx</u>
Issued: 3 shares		
Retained Earnings	<u>xx</u>	<u>xx</u>
<i>Total Shareholders' Equity</i>	<u>\$ xx</u>	<u>\$ xx</u>
	<u>\$ xx</u>	<u>\$ xx</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****1. Remuneration of Directors and Officer**

During the fiscal year, the Company's 3 directors and 4 officers received no remuneration.

**ABC LIMITED**  
123 Bloor Street West, Toronto, Canada

**Consolidated Statement of Earnings**

*Year Ended April 30*

	<i>1973</i>	<i>1972</i>
Revenues — Commissions	<u>\$ xx</u>	<u>\$ xx</u>
	<u>\$ xx</u>	<u>\$ xx</u>
Operating expenses	xx	xx
Depreciation expense	<u>xx</u>	<u>xx</u>
<i>Total Expenses</i>	<u>\$ xx</u>	<u>\$ xx</u>
Earnings before income taxes	\$ xx	\$ xx
Federal and provincial income taxes	<u>xx</u>	<u>xx</u>
<i>Net earnings</i>	<u>\$ xx</u>	<u>\$ xx</u>

**ABC LIMITED**  
123 Bloor Street West, Toronto, Canada

**Consolidated Statement of  
Changes in Financial Position**

*Year Ended April 30*

	1973	1972
<i>Source of Funds:</i>		
From current operations:		
Net earnings	\$ xx	\$ xx
Expenses not requiring outlay of working capital:		
Depreciation	xx	xx
Other	xx	xx
	<u>\$ xx</u>	<u>\$ xx</u>
 <i>Application of Funds:</i>		
Additions to property an equipment	\$ xx	\$ xx
Additions to working capital	xx	xx
	<u>\$ xx</u>	<u>\$ xx</u>
 <i>Details of Additions to (Reduction of) Working Capital:</i>		
Cash	\$ xx	\$ xx
Marketable securities	xx	xx
Other current assets	xx	xx
Accrued payroll and payroll taxes	xx	xx
Accrued income taxes	xx	xx
Other current liabilities	xx	xx
	<u>\$ xx</u>	<u>\$ xx</u>

**ABC LIMITED**  
123 Bloor Street West, Toronto, Canada

**Consolidated Statement of Stockholder's Equity**

	<i>Common Stock</i>	<i>Additional Paid-in Capital</i>	<i>Retained Earnings</i>
Balance at April 30, 1971	\$ xx	\$ xx	\$ xx
Net earnings for year	<u>—</u>	<u>—</u>	<u>—</u>
Balance at April 30, 1972	\$ xx	\$ xx	\$ xx
Net earnings for year	<u>—</u>	<u>—</u>	<u>—</u>
Balance at April 30, 1973	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

**AUDITORS' REPORT**

TO: The Shareholder of ABC Limited

The undersigned has examined the Balance Sheet of ABC Limited as at April 30, 1973 and the Consolidated Statements of Income, Retained Earnings and Source and Application of Funds for the fiscal year then ended.

The undersigned is an employee of a company affiliated with ABC Limited and must therefore qualify his opinion by reason of such relationship. The sole shareholder has consented to my appointment as auditor.

Subject only to the above qualification as to independence, in the opinion of the undersigned these Financial Statements present fairly the financial position of the Company as at April 30, 1973 and the results of its operation and the source and application of its funds for the fiscal year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Kansas City, Missouri

June , 1973

**Exhibit "C"**

**ABC INCORPORATED**

ABC Limited,  
123 Bloor Street West,  
Toronto, Ontario.

Dear Sirs:

As the sole shareholder of your company, the undersigned does hereby consent to your bringing the within application before the Supreme Court of Ontario and to the appointment of John Doe as auditor.

Yours very truly,

**ABC INCORPORATED**

Per: .....



## Exhibit "D"

Consumer and      Consommation et  
Corporate Affairs      Corporations  
Corporations      Corporations

Ottawa, Ontario  
K1A 0E3  
March 7, 1973

Mr. Andrew Black,  
Controller,  
XYZ Inc.,  
987 Winston Street,  
Kansas City, Missouri 64111,  
U.S.A.

Dear Sir:

Your letter of January 30, 1973 refers.

As you suggested, we will not pursue the acceptability of your 1972 statements, provided your 1973 statements are in conformity with the Canada Corporations Act.

In view of the comments you made in your letter of September 13, 1972, I draw your attention to the provisions of Section 129(3) of the Canada Corporations Act, which provides for exemptions from filing with our Department in certain cases.

Your situation is similar to that of another American firm, with a wholly owned Canadian subsidiary, that did not meet the disclosure test by itself. The U.S. parent sought our views on the possibility of being exempted from the auditing provisions of the Act via Section 129(3). Our position is outlined in the attached copy of our letter to this company which may be of interest to you.

Yours truly,

Acting Assistant Director,  
(Compliance).

Copy

OTTAWA  
K1A 0E3

February 13, 1973

Dear Sir:

RE: Proposed Application for Exemption  
Financial Disclosure

Further to your letter of November 13, 1972, and the several telephone conversations between yourself and Mr. \_\_\_\_\_ of this Department, we are pleased to advise that this Department would not oppose an application by the above company to be exempted, in part, from the disclosure requirements of the Canada Corporations Act. In particular, the Department would not oppose an application for an Order that the company is exempt from the application of paragraph 128(1)(b) of the Act provided that the company files with the Department of Consumer and Corporate Affairs:

1. A copy of the financial statement of the company;
2. A copy of the report of an auditor of the company appointed pursuant to subsection 131(2) of the Act; and
3. A copy of the audited consolidated financial statement of the company's parent company;

and further provided that the Department may, at any time, and without notice to the company, cause an audit to be performed on the books of the company by any person designated by the Department, such person to have the rights which an auditor of the company would have pursuant to subsection 132(4) of the Act.

The basis of this position is that the Department considers that an Order substantially in the terms described above would satisfy the interests of the public in having disclosure of financial information about the company. While the Department considers that the expense involved in having an audited financial statement prepared *may be* seriously and unfairly detrimental to the interests of the company, it is proposed that the Department not take any position as to whether the evidence submitted by the applicant demonstrates such detriment, leaving that question to be decided by the judge on the basis of the evidence before him.

I trust that the foregoing will be satisfactory for your purposes.

Yours very truly,

Acting Director.

## Example 31

**In the Supreme Court of Ontario**

THE HONOURABLE MR. JUSTICE ) MONDAY, the 5th day  
IN CHAMBERS ) of June, 1973

IN THE MATTER OF Section 129.3(1)(c) of the  
Canada Corporations Act, R.S.C. 1970, c. C-32 and  
amendments thereto:

AND IN THE MATTER OF the application of  
ABC Limited

**ORDER**

Upon the application of ABC Limited for an order exempting it in part from the application of Section 128(1)(b) of the Canada Corporations Act, R.S.C. 1970, c. C-32 and amendments thereto, by permitting ABC Limited to file such documents as are required by paragraph 128(1)(a) of the Act with the Department of Consumer and Corporate Affairs reported upon by an auditor who is an officer of ABC Limited, and upon reading the Affidavit of John Doe and the exhibits therein referred to, filed, and, upon hearing what was alleged by counsel for ABC Limited and by counsel for the Department of Consumer and Corporate Affairs.

1. IT IS ORDERED that ABC Limited be exempted from the application of paragraph 128(1)(b) of the Canada Corporations Act, R.S.C. 1970, c. C-32 for the fiscal year of that Company ended April 30, 1973, upon the following terms and conditions:
  - (a) That ABC Limited shall file a copy of its financial statements with the Department of Consumer and Corporate Affairs in accordance with the requirements in that regard contained in the Canada Corporations Act excepting subsection 131(2.1);
  - (b) That ABC Limited shall file with its financial statements the report of an auditor appointed in the manner prescribed by subsection 131(2) of the Canada Corporations Act;
  - (c) That ABC Limited shall file the audited consolidated financial statement of XYZ Inc., a public corporation incorporated under the laws of the State of Missouri, one of the United States of America; and
  - (d) That the Department of Consumer and Corporate Affairs may cause an audit to be performed, at any time, with or without notice to ABC Limited, on the financial records of that Company by any person designated by the Department, such person to enjoy the rights and powers conferred by subsection 132(4) of the Canada Corporations Act upon an auditor of a Company.

IT IS FURTHER ORDERED that there be no order as to the costs of this application.



**FORMULE 26**  
**DÉCLARATION**  
**RÉMUNÉRATION DES ADMINISTRATEURS ET DIRIGEANTS REÇUE DE LA CORPORATION**  
**ET DE SES AFFILIÉES**  
**SOUS-ALINÉA 35 (0)(v)**

**NATURE DE LA RÉMUNÉRATION GAGNÉE**

Jetons de présence des administrateurs	Salaires	Bonis	Allocation accordée sans pièce justificative	Autres (note 3)	Total
<b>TOTAUX</b>					

**RÉMUNÉRATION DES ADMINISTRATEURS (note 1)**

- (A) Nombre d'administrateurs: \_\_\_\_\_
- (B) *Personne morale supportant la dépense* \_\_\_\_\_

**RÉMUNÉRATION DES DIRIGEANTS (note 2)**

- (A) Nombre de dirigeants: \_\_\_\_\_
- (B) *Personne morale supportant la dépense* \_\_\_\_\_

**TOTAUX**

Note: 1. Concerne uniquement les administrateurs qui n'occupent pas un poste de dirigeant.  
 Note 2: Concerne uniquement les dirigeants qui ne sont pas administrateurs.  
 Note 3: Ajouter une note pour préciser la nature de la rémunération conférée.

