

The Business Corporations Act

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Chapter B-10 of *The Revised Statutes of Saskatchewan, 1978*
(effective February 26, 1979).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

Table of Contents

	SHORT TITLE		
1	Short title	41	Form of dividend
	INTERPRETATION	42	Prohibited loans and guarantees
2	Interpretation	43	Shareholder immunity
	PART I		DIVISION VI – SECURITY CERTIFICATES
	DIVISION I – APPLICATION		REGISTERS AND TRANSFERS
3	Application of Part	44	Application of Division
4	Certain Acts do not apply	45	Rights of holder
	DIVISION II – INCORPORATION	46	Securities records
5	Incorporation	47	Dealings with registered holder
6	Articles of incorporation	48	Overissue
7	Delivery of articles of incorporation	49	Burden of proof
8	Certificate of incorporation	50	Securities fungible
9	Effect of certificate	51	Notice of defect
10	Name of corporation	52	Staleness as notice of defect
11	Designating number	53	Unauthorized signature
12	Prohibited names	54	Completion or alteration
13	Certificate of amendment	55	Warranties of agents
14	Personal liability	56	Title of purchaser
	DIVISION III – CAPACITY AND POWERS	57	Deemed notice of adverse claim
15	Capacity of a corporation	58	Staleness notice of adverse claim
16	Powers of corporation	59	Warranties to issuer
17	No construction notice	60	Right to compel endorsement
18	Authority of directors, officers and agents	61	Interpretation, “appropriate person”
	DIVISION IV – REGISTERED OFFICE AND RECORDS	62	Effect of endorsement without delivery
19	Registered office	63	Endorsement in bearer form
20	Corporate records	64	Effect of unauthorized endorsement
21	Access to corporate records	65	Warranties of guarantor of signature
22	Form of records	66	Constructive delivery of a security
23	Corporate seal	67	Delivery of security
	DIVISION V – CORPORATE FINANCE	68	Right to reclaim possession
24	Shares	69	Right to requisites for registration
25	Issue of shares	70	Seizure of security
26	Stated capital account	71	Duty to register transfer
27	Shares in series	72	Assurance that endorsement effective
28	Pre-emptive right	73	Limited duty of inquiry
29	Options and rights	74	Limitation of issuer’s liability
30	Corporation holding its own shares	75	Notice of lost or stolen security
31	Exception	76	Agent’s duties, rights, etc.
32	Acquisition of corporation’s own shares		DIVISION VII – TRUST INDENTURES
33	Alternative acquisition of corporation’s own shares	77	Interpretation
34	Redemption of shares	78	Conflict of interest
35	Donated shares	79	Qualification of trustee
36	Other reduction of stated capital	80	List of security holders
37	Adjustment of stated capital account	81	Evidence of compliance
38	Enforceability of contract	82	Contents of declaration, etc.
39	Commission for sale of shares	83	Further evidence of compliance
40	Dividends	84	Trustee may require evidence of compliance
		85	Notice of default
		86	Duty of care

87	Reliance on statements	135	Voting
88	No exculpation	136	Resolution in lieu of meeting
	DIVISION VIII – RECEIVERS AND RECEIVER-MANAGERS	137	Requisition of meeting
89	Functions of receiver	138	Meeting called by court
90	Functions of receiver manager	139	Court review of election
91	Director’s powers cease	140	Pooling agreement
92	Duty to act		DIVISION XII — PROXIES
93	Duty under instrument	141	Interpretation
94	Duty of care	142	Appointing proxy holder
95	Directions given by court	143	Mandatory solicitation
96	Duties of receiver and receiver-manager	144	Soliciting proxies
	DIVISION IX – DIRECTORS AND OFFICERS	145	Exemption order
97	Power to manage	146	Attendance at meeting
98	Bylaws	147	Duty of restraint
99	Organization meeting	148	Restraining order
100	Qualifications of directors		DIVISION XIII – FINANCIAL DISCLOSURE
101	Notice of directors	149	Annual financial statements
102	Cumulative voting	150	Exemption
103	Ceasing to hold office	151	Consolidated statements
104	Removal of directors	152	Approval of financial statements
105	Attendance at meeting	153	Copies to shareholders
106	Filling vacancy	154	Copies to directors
107	Number of directors	155	Qualification of auditor
108	Notice of change of directors	156	Appointment of auditor
109	Meeting of director	157	Dispensing with auditor
110	Delegation	158	Ceasing to hold office
111	Validity of acts of directors and officers	159	Removal of auditor
112	Resolution in lieu of meeting	160	Filling vacancy
113	Directors’ liability	161	Court appointed auditor
114	Liability of directors for wages	162	Right to attend meeting
115	Disclosure of interested director contract	163	Examination
116	Officers	164	Right to information
117	Duty of care of directors and officers	165	Audit committee
118	Dissent	166	Qualified privilege, defamation
119	Indemnification		DIVISION XIV – FUNDAMENTAL CHANGES
120	Remuneration	167	Amendment of articles
	DIVISION X – INSIDER TRADING	168	Constraints on share transfers
121	Interpretation “insider”	169	Proposal to amend
122	Same	170	Class vote
123	Interpretation, “business combination”	171	Delivery of articles
124	Civil liability	172	Certificate of amendment
125	Limitation	173	Effect of certificate
	DIVISION XI – SHAREHOLDERS	174	Restated articles
126	Place of meetings	175	Amalgamation
127	Calling meetings	176	Amalgamation agreement
128	Fixing record date	177	Shareholder approval
129	Notice or meeting	178	Vertical short-form amalgamation
130	Waiver of notice	179	Sending of articles
131	Shareholder proposal	180	Effect of certificate
132	Shareholder list	181	Continuance in Saskatchewan
133	Quorum	182	Continuance outside of Saskatchewan
134	Right to vote	183	Borrowing powers
		184	Right to dissent

185	Interpretation, “reorganization”	232	Commencing derivative action
186	Certificate of reorganization	233	Powers to court
	DIVISION XV – DISSENTING OFFEREES	234	Application to court re oppression
187	Interpretation	235	Evidence of shareholder approval not decisive
188	Right to acquire shares	236	Application to court to rectify records
189	Notice to dissenting offeree	237	Application for directions
190	Notice of adverse claim	238	Notice of refusal by Director
191	Delivery of share certificate	239	Appeal from Director’s decision
192	Payment for shares	240	Restraining or compliance order
193	Offeree corporation holds money in trust	241	Summary application to court
194	Duty of offeree corporation	242	Appeal
195	Application to court to fix fair value		DIVISION XIX – GENERAL
196	Application to court having jurisdiction	243	Approval of Superintendent of insurance
197	No security for costs	244	Notice of intention
198	Dissenting offerees joined as parties	245	Prohibition against carrying on other business
199	Powers to court	246	Refusal by Lieutenant Governor in Council
200	Additional powers to court	247	Notice to directors and shareholders
	DIVISION XVII – LIQUIDATION AND DISSOLUTION	248	Deemed receipt
201	Application of Division	249	Undelivered notices
202	Revival	250	Waiver of notice
203	Dissolution before commencing business	251	Certificate of corporation
204	Proposing liquidation and dissolution	252	Proof
205	Dissolution by Director	253	Security certificate
206	Grounds for dissolution	254	Copies
207	Further grounds	255	Interpretation “statement”
208	Application for supervision	256	Alteration
209	Application to court	257	Corrections
210	Powers of court	258	Authorizing continuence
211	Effect of order	259	Reference to <i>The Companies Act</i>
212	Cessation of business and powers	260	Incorporation under <i>The Companies Act</i> prohibited
213	Appointment of liquidator		PART II
214	Duties of liquidator		DIVISION I – APPLICATION
215	Powers of liquidator	261	Application of Part
216	Costs of liquidation		DIVISION II – REGISTRATION
217	Right to distribution in money	262	Registration of corporations
218	Custody of records	263	Application for registration
219	Interpretation, “shareholder”	264	Registration
220	Unknown claimants	265	Termination and renewal of registration
221	Vesting in Crown	266	Effect of registration
	DIVISION XVII – INVESTIGATION		DIVISION III – DUTIES AND OBLIGATIONS
222	Investigation	267	Publication of name
223	Powers of court	268	Power of attorney
224	Power of inspector	269	Service on corporation
225	Hearing in camera	270	Notices of change
226	Criminating statements	271	Amendment to articles
227	Absolute privilege, defamation	272	Prospectus
228	Information respecting ownership and control	273	Annual return
229	Solicitor-client privilege	274	Shareholders’ list
230	Inquiries		DIVISION IV – DISABILITIES AND PENALTIES
	DIVISION XVIII – REMEDIES, OFFENCES AND PENALTIES	275	Unregistered corporation incapable of maintaining actions
231	Interpretation		

- 276 Action may be maintained if corporation becomes registered
- 277 Resumption of action
- 278 Acts of unregistered corporation not invalid

PART III

DIVISION I – DIRECTOR AND HIS DUTIES

- 279 Appointment of Director, etc.
- 280 Seal
- 281 Service upon Director

DIVISION II – RECORDS

- 282 Register of corporations
- 283 Documents under *The Companies Act* become documents under this Act
- 284 Inspection
- 285 Obligation to furnish records
- 286 Certificate of Director
- 287 Director may refuse certain documents
- 288 Form of documents
- 289 Proof required by Director
- 290 Striking name of corporation off the register
- 291 Liability of corporation continues

DIVISION III – CORPORATE NAMES

- 292 Reservation of name
- 293 Prohibited name
- 294 Name may be refused by Director
- 295 Amalgamation
- 296 Condition of revival
- 297 Objectionable name
- 298 Effect of change of name of extra-provincial corporation

DIVISION IV – OFFENCES AND PENALTIES

- 299 Offence for carrying on business while not registered
- 300 Offences with respect to reports
- 301 Liability of directors, etc.
- 302 Offence
- 303 Order to comply

DIVISION V – REGULATIONS

- 304 Regulations

CHAPTER B-10

An Act respecting Business Corporations

SHORT TITLE

Short title

1 This Act may be cited as *The Business Corporations Act*.

R.S.S. 1978, c.B-10, s.1.

INTERPRETATION

Interpretation

2(1) In this Act:

“affairs”

(a) “**affairs**” means the relationships among a corporation, its affiliates and the shareholders, directors and officers of such bodies corporate but does not include the business carried on by such bodies corporate;

“affiliate”

(b) “**affiliate**” means an affiliated body corporate within the meaning of subsection (2);

“articles”

(c) “**articles**” means:

(i) the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of dissolution or articles of revival; and

(ii) in section 258 and in Parts II and III, any Act, statute or ordinance by or under which a corporation has been incorporated, and any certificate of incorporation, memorandum of association, letters patent or other document evidencing corporate existence; and includes any amendments thereto;

“associate”

(d) “**associate**” when used to indicate a relationship with any person means:

(i) a body corporate of which that person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than ten per cent of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase such shares or such convertible securities;

(ii) a partner of that person acting on behalf of the partnership of which they are partners;

(iii) a trust or estate in which that person has a substantial beneficial interest or in respect of which he serves as a trustee or in a similar capacity;

(iv) a spouse or child of that person; or

(v) a relative of that person or of his spouse if that relative has the same residence as that person;

“auditor”

(e) “**auditor**” includes a partnership of auditors;

“beneficial interest”

(f) “**beneficial interest**” or “**beneficial ownership**” includes ownership through a trustee, legal representative, agent or other intermediary;

“body corporate”

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

“Canada corporation”

(h) “**Canada corporation**” means a body corporate incorporated by or under an Act of the Parliament of Canada;

“Commission”

(i) “**Commission**” means the Saskatchewan Securities Commission;

“corporation”

(j) “**corporation**” means a body corporate with share capital heretofore or hereafter incorporated by or under an Act of the Legislature and includes a body corporate with share capital incorporated by or under an ordinance of the Northwest Territories that by section 16 of *The Saskatchewan Act* (Canada) is subject to the legislative authority of Saskatchewan and in Parts II and III “corporation” includes an extra-provincial corporation with or without share capital;

“court”

(k) “**court**” means the Court of Queen’s Bench or a judge thereof;

“debt obligation”

(l) “**debt obligation**” means a bond, debenture, note or other evidence of indebtedness or guarantee of a corporation, whether secured or unsecured;

“Director”

(m) “**Director**” means the Director appointed under section and includes any Deputy Director appointed under that section;

“director”

(n) “**director**” means a person occupying the position of director by whatever name called and “directors” and “board of directors” includes a single director;

“distributing corporation”

(o) “**distributing corporation**” means a corporation, any of the issued securities of which are or were part of a distribution to the public and remain outstanding and are held by more than one person;

“extra-provincial corporation”

(p) “**extra-provincial corporation**” means a body corporate incorporated otherwise than by or under an Act of the Legislature;

“incorporator”

(q) “**incorporator**” means a person who signs articles of incorporation;

“individual”

(r) “**individual**” means a natural person;

“liability”

(s) “**liability**” includes a debt of a corporation arising under section 38, subsection (25) of section 184 and clauses (j) and (g) of subsection (3) of section 234;

“minister”

(t) **“minister”** means the Provincial Secretary;

“municipality”

(u) **“municipality”** means a city, town, village, rural municipality or local improvement district and includes The Municipal Corporation of Uranium City and District;

“ordinary resolution”

(v) **“ordinary resolution”** means a resolution passed by a majority of the votes cast by the shareholders who voted in respect of that resolution;

“person”

(w) **“person”** includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;

“prescribed”

(x) **“prescribed”** means prescribed by the regulations;

“redeemable share”

(y) **“redeemable share”** means a share issued by a corporation:

(i) that the corporation may purchase or redeem upon the demand of the corporation; or

(ii) that the corporation is required by its articles to purchase or redeem at a specified time or upon the demand of a shareholder;

“register”

(z) **“register”** means any register required by this Act to be maintained by or on behalf of a corporation but, in section 205 and in Parts II and III, it means the register of corporations to be maintained by the Director in accordance with section 282;

“resident Canadian”

(aa) **“resident Canadian”** means an individual who is:

(i) a Canadian citizen ordinarily resident in Canada;

(ii) a Canadian citizen not ordinarily resident in Canada who is a member of a prescribed class of persons; or

(iii) a landed immigrant within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada, except a landed immigrant who has been ordinarily resident in Canada for more than one year after the time at which he first became eligible to apply for Canadian citizenship;

“security”

(bb) **“security”** means a share of any class or series of shares or a debt obligation of a corporation and includes a certificate evidencing such a share or debt obligation;

“security interest”

(cc) **“security interest”** means an interest in or charge upon interest the property of a corporation by way of mortgage, hypothec, pledge or otherwise, taken by a creditor to secure payment of an obligation of the corporation;

“send”

(dd) **“send”** includes deliver;

“series”

(ee) **“series”** in relation to shares means a division of a class of shares;

“special resolution”

(ff) **“special resolution”** means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution;

“unanimous shareholder agreement”

(gg) **“unanimous shareholder agreement”** means an agreement described in subsection (2) of section 140.

Affiliated corporations

(2) For the purposes of this Act:

(a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person; and

(b) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.

Control

(3) For the purposes of this Act, a body corporate is deemed to be controlled by a person if 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 person.

Holding body corporate

(4) A body corporate is the holding body corporate of another if that other body corporate is its subsidiary.

Subsidiary body corporate

(5) A body corporate is a subsidiary of another body corporate if body corporate if it is controlled by that other body corporate.

Deemed distribution to the public

(6) For the purposes of this Act, securities of a corporation:

(a) issued upon a conversion of other securities; or

(b) issued in exchange for other securities;

are deemed to be securities that are part of a distribution to the public if those other securities were part of a distribution to the public.

Distribution to the public

(7) For the purposes of this Act, a security of a body corporate:

(a) is part of a distribution to the public where:

(i) there has been a filing of a prospectus respecting the security with the Commission and the issue of a receipt therefor;

(ii) a securities exchange takeover bid circular respecting the security has been filed with the Commission; or

(iii) the security is listed for trading on any stock exchange wheresoever situate; or

(b) is deemed to be part of a distribution to the public where the security has been issued and a filing in accordance with clause (a) would be required if the security were being issued currently.

PART I

Provincial Business Corporations

DIVISION I – APPLICATION

Application of Part

3(1) Except where otherwise provided and subject to subsection (2) this Part applies to every corporation incorporated, and to every corporation continued, under this Act and section 258 applies to every corporation.

Exception

(2) Except for section 259, no provision of this Part applies to:

(a) a corporation incorporated or registered under *The Co-operative Associations Act*, *The Co-operative Marketing Associations Act*, *The Co-operative Production Associations Act*, or *The Credit Union Act*, except to the extent that those Acts make this Act or any provision of this Act apply to the corporation;

(b) any corporation or class of corporations exempted by the regulations.

1976-77, c.10, s.3; R.S.S. 1978, c.B-10, s.3.

Certain Acts do not apply

4 No provision of *The Companies Act* or *The Companies Winding Up Act* applies to a corporation incorporated or continued under this Act.

1976-77, c.10, s.4; R.S.S. 1978, c.B-10, s.4.

DIVISION II – INCORPORATION

Incorporation

5(1) One or more persons, being a body corporate or an individual, may incorporate a corporation by signing and delivering to the Director articles of incorporation.

(2) No individual who:

(a) is less than eighteen years of age;

(b) is of unsound mind and has been so found by a court in Canada or elsewhere; or

(c) has the status of a bankrupt;

may incorporate a corporation.

1976-77, c.10, s.5; R.S.S. 1978, c.B-10, s.5.

Articles of incorporation

6(1) Articles of incorporation shall follow the prescribed form and shall set out, in respect of the proposed corporation:

(a) the name of the corporation;

(b) the municipality within Saskatchewan where the registered office is to be situated;

c. B-10**BUSINESS CORPORATIONS**

(c) the classes and any maximum number of shares that the corporation is authorized to issue, and:

(i) if there will be two or more classes of shares, the rights, privileges, restrictions and conditions attaching to each class of shares; and

(ii) if a class of shares may be issued in series, the authority given to the directors to fix the number of shares in, and to determine the designation of, and the rights, privileges, restrictions and conditions attaching to, the shares of each series;

(d) if the right to transfer shares of the corporation is to be restricted, a statement that the right to transfer shares is restricted and the nature of such restrictions;

(e) the number of directors or, subject to clause (a) of section 102, the minimum and maximum number of directors of the corporation; and

(f) any restrictions on the businesses that the corporation may carry on.

Additional provisions in articles

(2) The articles may set out any provisions permitted by this Act or by law to be set out in the bylaws of the corporation.

Special majorities

(3) Subject to subsection (4), if the articles or a unanimous shareholder agreement require a greater number of votes of directors or shareholders than that required by this Act to effect any action, the provisions of the articles or of the unanimous shareholder agreement prevail.

Removal of director

(4) The articles may not require a greater number of votes of shareholders to remove a director than the number specified in section 104.

1976-77, c.10, s.6; R.S.S. 1978, c.B-10, s.6.

Delivery of articles of incorporation

7 An incorporator shall send to the Director articles of incorporation and the documents required by sections 19 and 101.

1976-77, c.10, s.7; R.S.S. 1978, c.B-10, s.7.

Certificate of incorporation

8 If the Director is satisfied that the requirements for incorporation have been complied with, he shall issue a certificate of incorporation in accordance with section 255.

1976-77, c.10, s.8; R.S.S. 1978, c.B-10, s.8.

Effect of certificate

9 A corporation comes into existence on the date shown in the certificate of incorporation.

1976-77, c.10, s.9; R.S.S. 1978, c.B-10, s.9.

Name of corporation

10(1) The word "Limited", "Limitee", "Incorporated", "Incorporee" or "Corporation" or the abbreviation "Ltd.", "Ltee", "Inc." or "Corp." shall be part of the name of every corporation but a corporation may use and may be legally designated by either the full or the abbreviated form.

Exemption

(2) The Director may exempt a body corporate continued as a corporation under this Act from the provisions of subsection (1).

Same

(3) The Director may exempt a corporation incorporated under this Act from the provisions of subsection (1) where he is satisfied that the corporation is incorporated for the purpose of promoting art, science, religion, charity, recreation or some other useful object, and the corporation shall apply its profits, if any, or other income in promoting one or more of the foregoing objects and shall be prohibited from paying any dividend to its members.

Alternative name

(4) Subject to subsection (1) of section 12, a corporation may set out its name in its articles in an English form, a French form, an English form and a French form or in a combined English and French form and it may be legally designated by any such form.

Name in any language form

(5) Subject to subsection (1) of section 12, a corporation may set out its name in its articles in any language form and it may be legally designated by any such form.

1976-77, c.10, s.10; R.S.S. 1978, c.B-10, s.10.

Designating number

11 If requested to do so by the incorporators or a corporation, the Director shall assign to the corporation as its name a designating number determined by him.

1976-77, c.10, s.11; R.S.S. 1978, c.B-10, s.11.

Prohibited names

12(1) No corporation shall be incorporated with or have a name:

- (a) that is refused or prohibited in accordance with sections 293 to 295;
- (b) that is reserved for another corporation or intended corporation under section 292.

Directing change of name

(2) Where through inadvertence or otherwise a corporation:

- (a) comes into existence or is continued with a name; or
- (b) upon an application to change its name, is granted a name;

that contravenes this section, the Director may direct the corporation to change its name in accordance with section 167.

Name of continued corporation

(3) Notwithstanding subsections (1) and (2), a corporation that is continued under this Act is entitled to be continued with the name it had before such continuance.

Same

(4) Where a corporation has a designating number as its name, the Director may direct the corporation to change its name to a name other than a designating number in accordance with section 167.

Revoking name

(5) Where a corporation has been directed under subsection (2) or (4) to change its name and has not within sixty days from the service of the directive to that effect changed its name to a name that complies with this Act, the Director may revoke the name of the corporation and assign to it a name and, until changed in accordance with section 167, the name of the corporation is thereafter the name so assigned.

1976-77, c.10, s.12; R.S.S. 1978, c.B-10, s.12.

Certificate of amendment

13(1) Where a corporation has had its name revoked and a name assigned to it under subsection (5) of section 12, the Director shall issue a certificate of amendment showing the new name of the corporation and shall forthwith give notice of the change of name in the Gazette.

Effect of certificate

(2) The articles of the corporation are amended accordingly on the date shown in the certificate of amendment.

1976-77, c.10, s.13; R.S.S. 1978, c.B-10, s.13.

Personal liability

14(1) Except as provided in this section, a person who enters into a written contract in the name of or on behalf of a corporation before it comes into existence is personally bound by the contract and is entitled to the benefits thereof.

Pre-incorporation and pre-amalgamation contracts

(2) A corporation may, within a reasonable time after it comes into existence, by any action or conduct signifying its intention to be bound thereby, adopt a written contract made before it came into existence in its name or on its behalf, and upon such adoption:

(a) the corporation is bound by the contract and is entitled to the benefits thereof as if the corporation had been in existence at the date of the contract and had been a party thereto; and

(b) a person who purported to act in the name of or on behalf of the corporation ceases, except as provided in subsection (3), to be bound by or entitled to the benefits of the contract.

Application to court

(3) Except as provided in subsection (4), whether or not a written contract made before the coming into existence of a corporation is adopted by the corporation, a party to the contract may apply to a court for an order fixing obligations under the contract as joint or joint and several or apportioning liability between or among the corporation and a person who purported to act in the name of or on behalf of the corporation and upon such application the court may make any order it thinks fit.

Exemption from personal liability

(4) If expressly so provided in the written contract, a person who purported to act in the name of or on behalf of the corporation before it came into existence is not in any event bound by the contract or entitled to the benefits thereof.

1976-77, c.10, s.14; R.S.S. 1978, c.B-10, s.14.

DIVISION III – CAPACITY AND POWERS

Capacity of a corporation

15(1) A corporation has the capacity and, subject to this Act, the rights, powers and privileges of an individual.

(2) A corporation has the capacity to carry on its business, conduct its affairs and exercise its powers in any jurisdiction outside Saskatchewan to the extent that the laws of such jurisdiction permit.

1976-77, c.10, s.15; R.S.S. 1978, c.B-10, s.15.

Extra-territorial capacity

16(1) It is not necessary for a bylaw to be passed in order to confer any particular power on the corporation or its directors.

(2) A corporation shall not carry on any business or exercise any power that it is restricted by its articles from carrying on or exercising, nor shall the corporation exercise any of its powers in a manner contrary to its articles.

Rights reserved

(3) No act of a corporation, including any transfer of property to or by a corporation, is invalid by reason only that the act or transfer is contrary to its articles or this Act.

1976-77, c.10, s.16; R.S.S. 1978, c.B-10, s.16.

No construction notice

17 No person is affected by or is deemed to have notice or knowledge of the contents of a document concerning a corporation by reason only that the document has been filed by the Director or is available for inspection at an office of the corporation.

1976-77, c.10, s.17; R.S.S. 1978, c.B-10, s.17.

Authority of directors, officers and agents

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

- (a) the articles, bylaws and any unanimous shareholder agreement have not been complied with;
- (b) the persons named in the most recent notice sent to the Director under section 101 or 108 are not the directors of the corporation;
- (c) the place named in the most recent notice sent to the Director under section 19 is not the registered office of the corporation;
- (d) a person held out by a corporation as a director, an officer or an agent of the corporation has not been duly appointed or has no authority to exercise the powers and perform the duties that are customary in the business of the corporation or usual for such director, officer or agent;
- (e) a document issued by any director, officer or agent of a corporation with actual or usual authority to issue the document is not valid or not genuine;
or

(f) the financial assistance referred to in section 42 or the sale, lease or exchange of property referred to in subsection (2) of section 183 was not authorized;

except where the person has or ought to have by virtue of his position with or relationship to the corporation knowledge to the contrary.

1976-77, c.10, s.18; R.S.S. 1978, c.B-10, s.18.

DIVISION IV – REGISTERED OFFICE AND RECORDS

Registered office

19(1) A corporation shall at all times have a registered office in the municipality within Saskatchewan specified in its articles.

Notice of registered office

(2) A notice of registered office in prescribed form shall be sent to the Director together with any articles that designate or change the municipality in which the registered office of the corporation is to be situated.

Change of address

(3) The directors of a corporation may change the address of the registered office within the municipality specified in the articles.

Name of change of address

(4) A corporation shall send to the Director, within fifteen days of any change of address of its registered office, a notice in prescribed form and the Director shall file it.

Annexation or amalgamation of municipalities

(5) Where the location of the registered office of a corporation is changed by reason only of the annexation or amalgamation of the place in which the registered office is situated to or with another municipality, no such change constitutes or shall be deemed to constitute a change within the meaning of subsection (2).

1976-77, c.10, s.19; R.S.S. 1978, c.B-10, s.19.

Corporate records

20(1) A corporation shall prepare and maintain, at its registered office or at any other place in Saskatchewan designated by the directors, records containing:

- (a) the articles and the bylaws, and all amendments thereto, and a copy of any unanimous shareholder agreement;
- (b) minutes of meetings and resolutions of shareholders;
- (c) copies of all notices required by section 101 or 108; and
- (d) a securities register complying with section 46.

Director's records

(2) In addition to the records described in subsection (1), a corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the directors and any committee thereof.

Records of continued corporations

(3) For the purposes of clause (h) of subsection (1) and subsection (2), where a body corporate is continued under this Act, "records" includes similar records required by law to be maintained by the body corporate before it was so continued.

Place of director's records

(4) The records described in subsection (2) shall be kept at the registered office of the corporation or at such other place in Saskatchewan as the directors think fit and shall at all reasonable times be open to inspection by the directors.

Records in Saskatchewan

(5) Where accounting records of a corporation are kept at a place outside Saskatchewan, there shall be kept at the registered office or other office in Saskatchewan accounting records adequate to enable the directors to ascertain the financial position of the corporation with reasonable accuracy on a quarterly basis.

Offence

(6) A corporation that, without reasonable cause, fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000.

1976-77, c.10, s.20; R.S.S. 1978, c.B-10, s.20.

Access to corporate records

21(1) Shareholders and creditors of a corporation, their agents and legal representatives and the Director may examine the records referred to in subsection (1) of section 20 during the usual business hours of the corporation, and may take extracts therefrom, free of charge, and, where the corporation is a distributing corporation, any other person may do so upon payment of a reasonable fee.

Copies of corporate records

(2) A shareholder of a corporation is entitled upon request and without charge to one copy of the articles and bylaws and of any unanimous shareholder agreement.

Shareholder lists

(3) Shareholders and creditors of a corporation, their agents and legal representatives, the Director and, where the corporation is a distributing corporation, any other person, upon payment of a reasonable fee and upon sending to a corporation or its transfer agent the affidavit referred to in subsection (7), may upon application require the corporation or its agent to furnish within ten days from the receipt of the affidavit a list, in this section referred to as the "basic list", made up to a date not more than ten days before the date of receipt of the affidavit setting out the names of the shareholders of the corporation, the number of shares owned by each shareholder and the address of each shareholder as shown on the records of the corporation.

Supplemental lists

(4) A person requiring a corporation to supply a basic list may, if he states in the affidavit referred to in subsection (3) that he requires supplemental lists, require the corporation or its agent upon payment of a reasonable fee to furnish supplemental lists setting out any changes from the basic list in the names or addresses of the shareholders and the number of shares owned by each shareholder for each business day following the date the basic.

c. B-10**BUSINESS CORPORATIONS****When supplemental lists to be furnished**

(5) The corporation or its agent shall furnish a supplemental list required under subsection (4):

- (a) on the date the basic list is furnished, where the information relates to changes that took place prior to that date; and
- (b) on the business day following the day to which the supplemental list relates, where the information relates to changes that take place on or after the date the basic list is furnished.

Holders of options

(6) A person requiring a corporation to supply a basic list or a supplemental list may also require the corporation to include in any such list the name and address of any known holder of an option or right to acquire shares of the corporation.

Contents of affidavit

(7) The affidavit required under subsection (3) shall state:

- (a) the name and address of the applicant;
- (b) the name and address for service of the body corporate if the applicant is a body corporate; and
- (c) that the basic list and any supplemental lists obtained pursuant to subsection (4) will not be used except as permitted under subsection (9).

Same

(8) If the applicant is a body corporate, the affidavit shall be made by a director or officer of the body corporate.

Use of shareholder list

(9) A list of shareholders obtained under this section shall not be used by any person except in connection with:

- (a) an effort to influence the voting of shareholders of the corporation;
- (b) an offer to acquire shares of the corporation; or
- (c) any other matter relating to the affairs of the corporation.

Offence

(10) A person who without reasonable cause, contravenes this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.21; R.S.S. 1978, c.B-10, s.21.

Form of records

22(1) All registers and other records required by this Act to be prepared and maintained may be in a bound or loose-leaf form or in a photographic film form, or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable time.

Precautions

(2) A corporation and its agents shall take reasonable precautions to:

- (a) prevent loss or destruction of;
- (b) prevent falsification of entries in; and
- (c) facilitate detection and correction of inaccuracies in;

the registers and other records required by this Act to be prepared and maintained.

Offence

(3) A person who contravenes this section without reasonable cause is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.22; R.S.S. 1978, c.B-10, s.22.

Corporate seal

23 An instrument or agreement executed on behalf of a corporation by a director, an officer or an agent of the corporation is not invalid merely because a corporate seal is not affixed thereto.

1976-77, c.10, s.23; R.S.S. 1978, c.B-10, s.23.

DIVISION V – CORPORATE FINANCE

Shares

24(1) Shares of a corporation shall be in registered form and shall be without nominal or par value.

Transitional

(2) When a body corporate is continued under this Act, a share with nominal or par value issued by the body corporate before it was so continued is, for the purpose of subsection (1), deemed to be a share without nominal or par value.

Class of shares

(3) The articles may provide for more than one class of shares and, if they so provide, there shall be set out therein the rights, privileges, restrictions and conditions attaching to the shares of each class.

Class voting

(4) The articles shall provide for at least one class of shares the holders of which are entitled:

- (a) to vote at all meetings of shareholders except meetings at which only holders of a specified class of shares are entitled to vote; and
- (b) to receive the remaining property of the corporation upon a dissolution.

1976-77, c.10, s.24; R.S.S. 1978, c.B-10, s.24.

Issue of shares

25(1) Subject to the articles, any unanimous shareholder agreement and section 28, shares may be issued at such times and to such persons and for such consideration as the directors may determine.

Shares non-assessable

(2) Shares issued by a corporation are non-assessable and the holders are not liable to the corporation or to its creditors in respect thereof.

Consideration

(3) A share shall not be issued until it is fully paid in money or in property or past services that is the fair equivalent of the money that the corporation would have received if the share had been issued for money.

Consideration other than money

(4) In determining whether property or past services is the fair equivalent of a money consideration, the directors may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the corporation.

Property

(5) For the purposes of this section, “**property**” does not include a promissory note or a promise to pay.

1976-77, c.10, s.25; R.S.S. 1978, c.B-10, s.25.

Stated capital account

26(1) A corporation shall maintain a separate stated capital account for each class and series of shares issued, and the consideration received by the corporation for each share issued shall be added to the stated capital account maintained for the shares of that class or series.

Transitional

(2) Notwithstanding subsection (1), where a body corporate is continued under this Act, it is not required to add to a stated capital account any consideration received by it before it was so continued, unless the share in respect of which the consideration is received is issued after the corporation is so continued.

Transitional

(3) When a body corporate is continued under this Act, any amount unpaid in respect of a share issued by the body corporate before it was so continued and paid after it was so continued shall be added to the stated capital account maintained for the shares of that class or series.

Transitional

(4) For the purposes of subsection (2) of section 32, section 36, section 40, clause (d) of subsection (1) of section 42 and clause (a) of subsection (2) of section 179, when a body corporate is continued under this Act, its stated capital is deemed to include the amount that would have been included in stated capital if the body corporate had been incorporated under this Act.

Restriction

(5) A corporation shall not reduce its stated capital or any stated capital account except in the manner provided in this Act.

1976-77, c.10, s.26; R.S.S. 1978, c.B-10, s.26.

Shares in series

27(1) The articles may authorize the issue of any class of shares in one or more series and may authorize the directors to fix the number of shares in and to determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series, subject to the limitations set out in the articles.

Series participation

(2) If any cumulative dividends or amounts payable on return of capital in respect of a series of shares are not paid in full, the shares of all series of the same class participate rateably in respect of accumulated dividends and return of capital.

Restrictions on series

(3) No rights, privileges, restrictions or conditions attached to a series of shares authorized under this section shall confer upon a series a priority in respect of dividends or return of capital over any other series of shares of the same class that are then outstanding.

Amendment of articles

(4) Before the issue of shares of a series authorized under this section, the directors shall send to the Director articles of amendment in prescribed form to designate a series of shares.

Certificate of amendment

(5) Upon receipt of articles of amendment designating a series of shares, the Director shall issue a certificate of amendment in accordance with section 255.

Effect of certificate

(6) The articles of the corporation are amended accordingly on the date shown in the certificate of amendment.

1976-77, c.10, s.27; R.S.S. 1978, c.B-10, s.27.

Pre-emptive right

28(1) If the articles so provide, no shares of a class shall be issued unless the shares have first been offered to the shareholders holding shares of that class, and those shareholders have a pre-emptive right to acquire the offered shares in proportion to their holdings of the shares of that class, at such price and on such terms as those shares are to be offered to others.

Exemption

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

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

1976-77, c.10, s.28; R.S.S. 1978, c.B-10, s.28.

Options and rights

29(1) A corporation may issue certificates, warrants or other evidences of conversion privileges, options or rights to acquire securities of the corporation, and shall set out the conditions thereof:

- (a) in the certificates, warrants or other evidences; or
- (b) in certificates evidencing the securities to which the conversion privileges, options or rights are attached.

Transferable rights

(2) Conversion privileges, options and rights to acquire securities of a corporation may be made transferable or non-transferable, and options and rights to acquire may be made separable or inseparable from any securities to which they are attached.

Reserved shares

(3) Where a corporation has granted privileges to convert any securities issued by the corporation into shares, or into shares of another class or series, or has issued or granted options or rights to acquire shares, if the articles limit the number of authorized shares, the corporation shall reserve and continue to reserve sufficient authorized shares to meet the exercise of such conversion privileges, options and rights.

1976-77, c.10, s.29; R.S.S. 1978, c.B-10, s.29.

Corporation holding its own shares

30 Except as provided in sections 31 to 34, a corporation shall not hold shares in itself or in its holding body corporate.

1976-77, c.10, s.30; R.S.S. 1978, c.B-10, s.30.

Exception

31(1) A corporation may in the capacity of a legal representative hold shares in itself or in its holding body corporate unless it or the holding body corporate or a subsidiary of either of them has a beneficial interest in the shares.

Exception

(2) A corporation may hold shares in itself or in its holding body corporate by way of security for the purposes of a transaction entered into by it in the ordinary course of a business that includes the lending of money.

Voting shares

(3) A corporation holding shares in itself or in its holding body corporate shall not vote or permit those shares to be voted unless the corporation:

- (a) holds the shares in the capacity of a legal representative; and
- (b) has complied with section 147.

1976-77, c.10, s.31; R.S.S. 1978, c.B-10, s.31.

Acquisition of corporation's own shares

32(1) Subject to subsection (2) and to its articles, a corporation may purchase or otherwise acquire shares issued by it.

Limitation

(2) A corporation shall not make any payment to purchase or otherwise acquire shares issued by it if there are reasonable grounds for believing that:

- (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would after the payment be less than the aggregate of its liabilities and stated capital of all classes.

1976-77, c.10, s.32; R.S.S. 1978, c.B-10, s.32.

Alternative acquisition of corporation's own shares

33(1) Notwithstanding subsection (2) of section 32, but subject to subsection (3) of this section and to its articles, a corporation may purchase or otherwise acquire shares issued by it to:

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

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

Same

- (2) Notwithstanding subsection (2) of section 32, a corporation may purchase or otherwise acquire shares issued by it to:
- (a) satisfy the claim of a shareholder who dissents under section 184; or
 - (b) comply with an order under section 234.

Limitation

- (3) A corporation shall not make any payment to purchase or acquire under subsection (1) shares issued by it if there are reasonable grounds for believing that:
- (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would after the payment be less than the aggregate of its liabilities and the amount required for payment on a redemption or in a liquidation of all shares the holders of which have the right to be paid prior to the holders of the shares to be purchased or acquired.

1976-77, c.10, s.33; R.S.S. 1978, c.B-10, s.33.

Redemption of shares

34(1) Notwithstanding subsection (2) of section 32 or subsection (3) of section 33, but subject to subsection (2) of this section and to its articles, a corporation may purchase or redeem any redeemable shares issued by it at prices not exceeding the redemption price thereof stated in the articles or calculated according to a formula stated in the articles.

- (2) A corporation shall not make any payment to purchase or redeem any redeemable shares issued by it if there are reasonable grounds for believing that:
- (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would after the payment be less than the aggregate of:
 - (i) its liabilities; and
 - (ii) the amount that would be required to pay the holders of shares that have a right to be paid, on a redemption or in a liquidation, rateably with or prior to the holders of the shares to be purchased or redeemed.

1976-77, c.10, s.34; R.S.S. 1978, c.B-10, s.34.

Donated shares

35 Subject to subsection (5) of section 37, a corporation may accept from any shareholder a share of the corporation surrendered to it as a gift, but may not extinguish or reduce a liability in respect of an amount unpaid on any such share except in accordance with section 36.

1976-77, c.10, s.35; R.S.S. 1978, c.B-10, s.35.

Other reduction of stated capital

36(1) Subject to subsection (3), a corporation may by special resolution reduce its stated capital by:

- (a) extinguishing or reducing a liability in respect of an amount unpaid on any share;
- (b) returning any amount in respect of consideration the corporation received for an issued share, whether or not the corporation purchases, redeems or otherwise acquires any share or fraction thereof it issued; and
- (c) declaring its stated capital to be reduced by an amount that is not represented by realizable assets.

Contents of special resolution

(2) A special resolution under this section shall specify the stated capital account or accounts from which the reduction of stated capital effected by the special resolution will be deducted.

Limitation

(3) A corporation shall not reduce its stated capital under clause (a) or (b) of subsection (1) if there are reasonable grounds for believing that:

- (a) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Recovery

(4) A creditor of a corporation is entitled to apply to a court for an order compelling a shareholder or other recipient:

- (a) to pay to the corporation an amount equal to any liability of the shareholder that was extinguished or reduced contrary to this section; or
- (b) to pay or deliver to the corporation any money or property that was paid or distributed to the shareholder or other recipient as a consequence of a reduction of capital made contrary to this section.

Limitation

(5) An action to enforce a liability imposed by this section may not be commenced after two years from the date of the act complained of.

Remedy preserved

(6) This section does not affect any liability that arises under section 113.

1976-77, c.10, s.36; R.S.S. 1978, c.B-10, s.36.

Adjustment of stated capital account

37(1) Upon a purchase, redemption or other acquisition by a corporation under section 32, 33, 34, 43 or 184 or clause (1) of subsection (3) of section 234, of shares or fractions thereof issued by it, the corporation shall deduct from the stated capital account maintained for the class or series of shares purchased, redeemed or otherwise acquired an amount equal to the result obtained by multiplying the stated capital of the shares of that class or series by the number of shares of that class or series or fractions thereof purchased, redeemed or otherwise acquired, divided by the number of issued shares of that class or series immediately before the purchase, redemption or other acquisition.

Adjustment of stated capital account

(2) A corporation shall deduct the amount of a payment made by the corporation to a shareholder under clause (g) of subsection (3) of section 234 from the stated capital account maintained for the class or series of shares in respect of which the payment was made.

Adjustment of stated capital account

(3) A corporation shall adjust its stated capital account or accounts in accordance with any special resolution referred to in subsection (2) of section 36.

Adjustment of stated capital account

(4) Upon a conversion of issued shares of a class into shares of another class or upon a change under section 167, 185 or 234 of issued shares of a corporation into shares of another class or series, a corporation shall:

(a) deduct from the stated capital account maintained for the class or series of shares changed or converted an amount equal to the result obtained by multiplying the stated capital of the shares of that class or series by the number of shares of that class or series changed or converted, divided by the number of issued shares of that class or series immediately before the change or conversion; and

(b) add the result obtained under clause (a) and any additional consideration received by the corporation pursuant to the change or conversion to the stated capital account maintained or to be maintained for the class or series of shares into which the shares have been changed or converted.

Cancellation or restoration of shares

(5) Shares or fractions thereof issued by a corporation and purchased, redeemed or otherwise acquired by it shall be cancelled or, if the articles limit the number of authorized shares, shall be restored to the status of authorized but unissued shares.

Exception

(6) For the purposes of this section, a corporation holding shares as permitted by subsections (1) and (2) of section 31 is deemed not to have purchased, redeemed or otherwise acquired such shares.

Change of shares

(7) Shares issued by a corporation and converted or changed under section 167, 185 or 234 into shares of another class or series shall become issued shares of the class or series of shares into which the shares have been changed.

Effect of change of shares on number of unissued shares

(8) Where the articles limit the number of authorized shares of a class or series of shares of a corporation and issued shares of that class or series have become, pursuant to subsection (7), issued shares of another class or series, the number of unissued shares of the first-mentioned class or series shall, unless the articles of amendment or reorganization otherwise provide, be increased by the number of shares that, pursuant to subsection (7), became shares of another class or series.

Repayment

(9) Debt obligations issued, pledged, hypothecated or deposited by a corporation are not redeemed by reason only that the indebtedness evidenced by the debt obligations or in respect of which the debt obligations are issued, pledged, hypothecated or deposited is repaid.

Acquisition and reissue of debt obligations

(10) Debt obligations issued by a corporation and purchased, redeemed or otherwise acquired by it may be cancelled or, subject to any applicable trust indenture or other agreement, may be reissued, pledged or hypothecated to secure any obligation of the corporation then existing or thereafter incurred, and any such acquisition and reissue, pledge or hypothecation is not a cancellation of the debt obligations.

1976-77, c.10, s.37; R.S.S. 1978, c.B-10, s.37.

Enforceability of contract

38(1) A contract with a corporation providing for the purchase of shares of the corporation is specifically enforceable against the corporation except to the extent that the corporation cannot perform the contract without thereby being in breach of section 32 or 33.

Burden of proof

(2) In any action brought on a contract referred to in subsection (1), the corporation has the burden of proving that performance thereof is prevented by section 32 or 33.

Status of contracting party

(3) Until the corporation has fully performed a contract referred to in subsection (1), the other party retains the status of a claimant entitled to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors but in priority to the shareholders.

1976-77, c.10, s.38; R.S.S. 1978, c.B-10, s.38.

Commission for sale of shares

39 The directors acting honestly and in good faith with a view to the best interests of a corporation may authorize the corporation to pay a commission to any person in consideration of his purchasing or agreeing to purchase shares of the corporation from the corporation or from any other person, or procuring or agreeing to procure purchases for any such shares.

1976-77, c.10, s.39; R.S.S. 1978, c.B-10, s.39.

Dividends

40 A corporation shall not declare or pay a dividend if there are reasonable grounds for believing that:

- (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

1976-77, c.10, s.40; R.S.S. 1978, c.B-10, s.40.

Form of dividend

41(1) Subject to section 40, a corporation may pay a dividend in money or property or by issuing fully paid shares of the corporation.

Adjustment of stated capital account

(2) If shares of a corporation are issued in payment of a dividend, the value of the dividend stated as an amount in money shall be added to the stated capital account maintained or to be maintained for the shares of the class or series issued in payment of the dividend.

1976-77, c.10, s.41; R.S.S. 1978, c.B-10, s.41.

Prohibited loans and guarantees

42(1) Except as permitted under subsection (2), a corporation or any corporation with which it is affiliated shall not, directly or indirectly, give financial assistance by means of a loan, guarantee or otherwise:

- (a) to a shareholder, director, officer or employee of such corporation or affiliated corporation or an associate of any such person for any purpose; or
- (b) to any person for the purpose of or in connection with a purchase of a share issued or to be issued by the corporation or a corporation with which it is affiliated;

where there are reasonable grounds for believing that:

- (c) the corporation is, or would after giving the financial assistance be, unable to pay its liabilities as they become due; or
- (d) the realizable value of the corporation's assets, excluding the amount of any financial assistance in the form of a loan and in the form of assets pledged or encumbered to secure a guarantee, would after giving the financial assistance be less than the aggregate of the corporation's liabilities and stated capital of all classes.

Permitted loans and guarantees

(2) A corporation may give financial assistance to any person by means of a loan, guarantee or otherwise:

- (a) in the ordinary course of business if the lending of money is part of the ordinary business of the corporation;
- (b) on account of expenditures incurred or to be incurred on behalf of the corporation;
- (c) to a holding body corporate if the corporation is a wholly owned subsidiary of the holding body corporate;
- (d) to a subsidiary body corporate of the corporation; and
- (e) to employees of the corporation or any of its affiliates:
 - (i) to enable or assist them to purchase or erect living accommodation for their own occupation; or
 - (ii) in accordance with a plan for the purchase of shares of the corporation or any of its affiliates to be held by a trustee.

Enforceability

(3) A contract made by a corporation in contravention of this section may nevertheless be enforced by the corporation or by a lender for value in good faith without notice of the contravention.

1976-77, c.10, s.42; R.S.S. 1978, c.B-10, s.42.

Enforcement of lien

43(1) The shareholders of a corporation are not, as shareholders, liable for any liability, act or default of the corporation except under subsection (4) of section 36, subsection (4) of section 140 or subsection (5) of section 219.

Lien on shares

(2) Subject to subsection (8) of section 45, the articles may provide that 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, including an amount unpaid in respect of a share issued by a body corporate on the date it was continued under this Act.

Enforcement of lien

(3) A corporation may enforce a lien referred to in subsection (2) in accordance with its bylaws.

1976-77, c.10, s.43; R.S.S. 1978, c.B-10, s.43.

DIVISION VI – SECURITY CERTIFICATES

REGISTERS AND TRANSFERS

Application of Division

44(1) The transfer or transmission of a security shall be governed by this Division.

Interpretation

(2) In this Division:

“adverse claim”

(a) **“adverse claim”** includes a claim that a transfer was or would be wrongful or that a particular adverse person is the owner of or has an interest in the security;

“bearer”

(b) **“bearer”** means the person in possession of a security payable to bearer or endorsed in blank;

“bona fide purchaser”

(c) **“bona fide purchaser”** means a purchaser for value in good faith and without notice of any adverse claim who takes delivery of a security in bearer form or of a security in registered form issued to him or endorsed to him or endorsed in blank;

“broker”

(d) **“broker”** means a person who is engaged for all or part of his time in the business of buying and selling securities and who, in the transaction concerned, acts for, or buys a security from, or sells a security to a customer;

“delivery”

(e) **“delivery”** means voluntary transfer of possession;

“fiduciary”

(f) **“fiduciary”** means a trustee, guardian, committee, curator, tutor, executor, administrator or representative of a deceased person, or any other person acting in a fiduciary capacity;

“fungible”

(g) **“fungible”** in relation to securities means securities of which any unit is, by nature or usage of trade, the equivalent of any other like unit;

“genuine”

(h) **“genuine”** means free of forgery or counterfeiting;

“good faith”

(i) **“good faith”** means honesty in fact in the conduct of the transaction concerned;

“holder”

(j) **“holder”** means a person in possession of a security issued or endorsed to him or to bearer or in blank;

“issuer”

(k) **“issuer”** includes a corporation:

- (i) that is required by this Act to maintain a securities register; or
- (ii) that directly or indirectly creates fractional interests in its rights or property and that issues securities as evidence of such fractional interests;

“overissue”

(l) **“overissue”** means the issue of securities in excess of any maximum number of securities that the issuer is authorized by its articles or a trust indenture to issue;

“purchaser”

(m) **“purchaser”** means a person who takes by sale, mortgage, hypothec, pledge, issue, reissue, gift or any other voluntary transaction creating an interest in a security;

“security” or “security certificate”

(n) **“security” or “security certificate”** means an instrument issued by a corporation that is:

- (i) in bearer, registered or order form;
- (ii) of a type commonly dealt in upon securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment;
- (iii) one of a class or series or by its terms divisible into a class or series of instruments; and
- (iv) evidence of a share, participation or other interest in or obligation of a corporation;

“transfer”

(o) **“transfer”** includes transmission by operation of law;

“trust indenture”

(p) **“trust indenture”** means a trust indenture as defined in section 77;

“unauthorized”

(q) **“unauthorized”** in relation to a signature or an endorsement means one made without actual, implied or apparent authority and includes a forgery;

“valid”

(r) **“valid”** means issued in accordance with the applicable law and the articles of the issuer, or validated under section 48.

Negotiable instruments

(3) Except where its transfer is restricted and noted on a security in accordance with subsection (8) of section 45, a security is a negotiable instrument.

Registered form

- (4) A security is in registered form if:
- (a) it specifies a person entitled to the security or to the rights it evidences, and its transfer is capable of being recorded in a securities register; or
 - (b) it bears a statement that it is in registered form.

Order form

- (5) A debt obligation is in order form when by its terms it is payable to the order or assigns of any person therein specified with reasonable certainty or to him or his order.

Bearer form

- (6) A security is in bearer form if it is payable to bearer according to its terms and not by reason of any endorsement.

Guarantor for issuer

- (7) A guarantor for an issuer is deemed to be an issuer to the extent of his guarantee whether or not his obligation is noted on the security.

1976-77, c.10, s.44; R.S.S. 1978, c.B-10, s.44.

Rights of holder

- 45(1)** Every security holder is entitled at his option to a security certificate that complies with this Act or a non-transferable written acknowledgement of his right to obtain such a security certificate from a corporation in respect of the securities of that corporation held by him.

Fee for certificate

- (2) A corporation may charge a fee of not more than \$3 for a security certificate issued in respect of a transfer.

Joint holders

- (3) A corporation is not required to issue more than one security certificate in respect of securities held jointly by several persons, and delivery of a certificate to one of several joint holders is sufficient delivery to all.

Signatures

- (4) A security certificate shall be signed manually by at least one director or officer of the corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

No manual signature required

- (5) Notwithstanding subsection (4), a manual signature is not required on a certificate representing a fractional share, an option or a right to acquire a security or on a scrip certificate.

Continuation of signature

- (6) If a security certificate contains a printed or mechanically reproduced signature of a person, the corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the corporation, and the security certificate is as valid as if he were a director or an officer at the date of its issue.

Contents of share certificate

- (7) There shall be stated upon the face of each share certificate issued by a corporation:
- (a) the name of the corporation;
 - (b) the words "Incorporated under the laws of Saskatchewan" or words of like effect;

- (c) the name of the person to whom it was issued; and
- (d) the number and class of shares and the designation of any series that the certificate represents.

Restrictions

(8) If a security certificate issued by a corporation or by a body corporate before the body corporate was continued under this Act is or becomes subject to:

- (a) a restriction on its transfer other than a constraint under section 168;
- (b) a lien in favour of the corporation;
- (c) a unanimous shareholder agreement; or
- (d) an endorsement under subsection (10) of section 184;

such restriction, lien, agreement or endorsement is ineffective against a transferee of the security who has no actual knowledge of it, unless it or a reference to it is noted conspicuously on the security certificate.

Transitional

(9) If a body corporate continued under this Act has outstanding security certificates, and if the words “private company” appear on the certificates, those words are deemed to be a notice of a restriction, lien, agreement or endorsement for the purpose of subsection (8).

Particulars of class

(10) There shall be stated legibly on a share certificate issued by a corporation that is authorized to issue shares of more than one class or series:

- (a) the rights, privileges, restrictions and conditions attached to the shares of each class and series; or
- (b) that the class or series of shares that it represents has rights, privileges, restrictions or conditions attached thereto and that the corporation will furnish to a shareholder, on demand and without charge, a full copy of the text of:
 - (i) the rights, privileges, restrictions and conditions attached to each class authorized to be issued and to each series insofar as the same have been fixed by the directors; and
 - (ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series.

Duty

(11) Where a share certificate issued by a corporation contains the statement mentioned in clause (b) of subsection (10), the corporation shall furnish to a shareholder on demand and without charge a full copy of the text of:

- (a) the rights, privileges, restrictions and conditions attached to each class authorized to be issued and to each series insofar as the same have been fixed by the directors; and
- (b) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series.

Fractional share

(12) A corporation may issue a certificate for a fractional share or may issue in place thereof scrip certificates in bearer form that entitle the holder to receive a certificate for a full share by exchanging scrip certificates aggregating a full share.

(13) The directors may attach conditions to any scrip certificates issued by a corporation, including conditions that:

- (a) the scrip certificates become void if not exchanged for a share certificate representing a full share before a specified date; and
- (b) any shares for which such scrip certificates are exchangeable may, notwithstanding any pre-emptive right, be issued by the corporation to any person and the proceeds thereof distributed rateably to the holders of the scrip certificates.

Holder of fractional share

(14) A holder of a fractional share issued by a corporation is not entitled to exercise voting rights or to receive a dividend in respect of the fractional share, unless:

- (a) the fractional share results from a consolidation of shares; or
- (b) the articles of the corporation otherwise provide.

(15) A holder of a scrip certificate is not entitled to exercise voting rights or to receive a dividend in respect of the scrip certificate.

1976-77, c.10, s.45; R.S.S. 1978, c.B-10, s.45.

Securities records

46(1) A corporation shall maintain a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a security holder;
- (b) the number of securities held by each security holder; and
- (c) the date and particulars of the issue and transfer of each security.

Central and branch registers

(2) A corporation may appoint an agent to maintain a central securities register and branch securities registers.

Place of register

(3) A central securities register shall be maintained by a corporation at its registered office or at any office in Saskatchewan of a trust company designated by the directors and licensed under *The Trust and Loan Companies. Licensing Act*, and any branch securities registers may be kept at any place in or out of Saskatchewan designated by the directors.

Effect of registration

(4) Registration of the issue or transfer of a security in the central securities register or in a branch securities register is complete and valid registration for all purposes.

Branch register

(5) A branch securities register shall only contain particulars of securities issued or transferred at that branch.

Central register

(6) Particulars of each issue or transfer of a security registered in a branch securities register shall also be kept in the corresponding central securities register.

Destruction of certificates

(7) A corporation, its agent or a trustee defined in subsection (1) of section 77 is not required to produce:

- (a) a cancelled security certificate, a cancelled instrument referred to in subsection (1) of section 29 or a like cancelled instrument, that is in registered form, six years after the date of its cancellation;
- (b) a cancelled security certificate, a cancelled instrument referred to in subsection (1) of section 29 or a like cancelled instrument, that is in bearer form, after the date of its cancellation; or
- (c) an instrument referred to in subsection (1) of section 29 or a like instrument, irrespective of its form, after the date of its expiry.

1976-77, c.10, s.46; R.S.S. 1978, c.B-10, s.46.

Dealings with registered holder

47(1) Before the presentment for registration of transfer of a security in registered form, a corporation or a trustee under a trust indenture may, subject to sections 128, 129 and 132, treat the registered owner of the security as the person exclusively entitled to vote, to receive notices and otherwise to exercise all the rights and powers of an owner.

Constructive registered holder

(2) Notwithstanding subsection (1), a corporation whose articles restrict the right to transfer its securities shall, and any other corporation may, treat a person as a registered security holder entitled to exercise all the rights of the security holder he represents, if that person furnishes evidence as described in subsection (4) of section 72 to the corporation that he is:

- (a) the executor, administrator, heir or legal representative of the heirs, of the estate of a deceased security holder;
- (b) a guardian, committee, trustee, curator or tutor representing a registered security holder who is an infant, an incompetent person or a missing person; or
- (c) a liquidator of, or a trustee in bankruptcy for, a registered security holder.

Permissible registered holder

(3) If a person upon whom the ownership of a security devolves by operation of law, other than a person described in subsection (2), furnishes proof of his authority to exercise rights or privileges in respect of a security of the corporation that is not registered in his name, the corporation shall treat such person as entitled to exercise those rights or privileges.

Immunity of corporation

(4) A corporation is not required to inquire into the existence of, or see to the performance or observance of any duty owed to a third person by a registered holder of any of its securities or by anyone whom it treats, as permitted or required by this section, as the owner or registered holder thereof.

Infants

(5) If an infant exercises any rights of ownership in the securities of a corporation, no subsequent repudiation or avoidance is effective against the corporation.

Joint holder

(6) A corporation may treat as owner of a security the survivors of persons to whom the security was issued as joint holders, if it receives proof satisfactory to it of the death of any such joint holder.

Transmission of securities

(7) Subject to any applicable law relating to the collection of taxes, a person referred to in clause (a) of subsection (2) is entitled to become a registered holder or to designate a registered holder, if he deposits with the corporation or its transfer agent:

- (a) the original grant of probate or of letters of administration, or a copy thereof certified to be a true copy by:
 - (i) the court that granted the probate or letters of administration;
 - (ii) a trust company incorporated under the laws of Canada or a province; or
 - (iii) a lawyer or notary acting on behalf of the person referred to in clause (a) of subsection (2); or
- (b) in the case of transmission by notarial will in the Province of Quebec, a copy thereof authenticated pursuant to the laws of that Province;

together with:

- (c) an affidavit or declaration of transmission made by a person referred to in clause (a) of subsection (2), stating the particulars of the transmission; and
- (d) the security certificate that was owned by the deceased holder:
 - (i) in case of a transfer to a person referred to in clause (a) of subsection (2), with or without the endorsement of that person; and
 - (ii) in case of a transfer to any other person, endorsed in accordance with section 61;

and accompanied by any assurance the corporation may require under section 72.

Excepted transmissions

(8) Notwithstanding subsection (7), if the laws of the jurisdiction governing the transmission of a security of a deceased holder do not require a grant of probate or of letters of administration in respect of the transmission, a legal representative of the deceased holder is entitled, subject to any applicable law relating to the collection of taxes, to become a registered holder or to designate a registered holder, if he deposits with the corporation or its transfer agent:

- (a) the security certificate that was owned by the deceased holder; and
- (b) reasonable proof of the governing laws, of the deceased holder's interest in the security and of the right of the legal representative or the person he designates to become the registered holder.

Right of corporation

(9) Deposit of the documents required by subsection (7) or (8) empowers a corporation or its agent to record in a securities register the transmission of a security from the deceased holder to a person referred to in clause (a) of subsection (2) or to such person as the person referred to in that clause may designate and, thereafter, to treat the person who thus becomes a registered holder as the owner of those securities.

1976-77, c.10, s.47; R.S.S. 1978, c.B-10, s.47.

Overissue

48(1) The provisions of this Division that validate a security or compel its issue or reissue do not apply to the extent that validation, issue or reissue would result in overissue, but:

- (a) if a valid security, similar in all respects to the security involved in the overissue, is reasonably available for purchase, the person entitled to the validation or issue may compel the issuer to purchase and deliver such a security to him against surrender of the security that he holds; or
- (b) if a valid security, similar in all respects to the security involved in the overissue, is not reasonably available for purchase, the person entitled to the validation or issue may recover from the issuer an amount equal to the price the last purchaser for value paid for the invalid security.

Retroactive validation

(2) When an issuer subsequently amends its articles or a trust indenture to which it is a party to increase its authorized securities to a number equal to or in excess of the number of securities previously authorized plus the amount of the securities overissued, the securities so overissued are valid from the date of their issue.

Payment not a purchase or redemption

(3) A purchase or payment by an issuer under subsection (1) is not a purchase or payment to which section 32, 33, 34 or 37 applies.

1976-77, c.10, s.48; R.S.S. 1978, c.B-10, s.48.

Burden of proof

49 In an action on a security:

- (a) unless specifically denied in the pleadings, each signature on the security or in a necessary endorsement is admitted;
- (b) a signature on the security is presumed to be genuine and authorized but, if the effectiveness of the signature is put in issue, the burden of establishing that it is genuine and authorized is on the party claiming under the signature;
- (c) if a signature is admitted or established, production of the instrument entitles a holder to recover on it unless the defendant establishes a defence or a defect going to the validity of the security; and
- (d) if the defendant establishes that a defence or defect exists, the plaintiff has the burden of establishing that the defence or defect is ineffective against him or some person under whom he claims.

1976-77, c.10, s.49; R.S.S. 1978, c.B-10, s.49.

Securities fungible

50 Unless otherwise agreed, and subject to any applicable law, regulation or stock exchange rule, a person required to deliver securities may deliver any security of the specified issue in bearer form or registered in the name of the transferee or endorsed to him or in blank.

1976-77, c.10, s.50; R.S.S. 1978, c.B-10, s.50.

Notice of defect

51(1) Even against a purchaser for value and without notice of a defect going to the validity of a security, the terms of the security include those stated on the security and those incorporated therein by reference to another instrument, statute, rule, regulation or order to the extent that the terms so referenced do not conflict with the stated terms, but such a reference is not of itself notice to a purchaser for value of a defect going to the validity of the security, notwithstanding that the security expressly states that a person accepting it admits such notice.

Purchaser for value

(2) A security is valid in the hands of a purchaser for value without notice of any defect going to its validity.

Lack of genuineness

(3) Except as provided in section 53, the fact that a security is not genuine is a complete defence even against a purchaser for value and without notice.

Ineffective defences

(4) All other defences of an issuer, including non-delivery and conditional delivery of a security, are ineffective against a purchaser for value without notice of the particular defence.

1976-77, c.10, s.51; R.S.S. 1978, c.B-10, s.51.

Staleness as notice of defect

52 After an event that creates a right to immediate performance of the principal obligation evidenced by a security, or that sets a date on or after which a security is to be presented or surrendered for redemption or exchange, a purchaser is deemed to have notice of any defect in its issue or of any defence of the issuer:

(a) if the event requires the payment of money or the delivery of securities, or both, on presentation or surrender of the security, and such funds or securities are available on the date set for payment or exchange, and he takes the security more than one year after that date; or

(b) if he takes the security more than two years after the date set for surrender or presentation or the date on which such performance became due.

1976-77, c.10, s.52; R.S.S. 1978, c.B-10, s.52.

Unauthorized signature

53 An unauthorized signature on a security before or in the course of issue is ineffective, except that the signature is effective in favour of a purchaser for value and without notice of the lack of authority, if the signing has been done by:

(a) an authenticating trustee, registrar, transfer agent or other person entrusted by the issuer with the signing of the security, or of similar securities, or their immediate preparation for signing; or

(b) an employee of the issuer or of a person referred to in clause (a) who in the ordinary course of his duties handles the security.

1976-77, c.10, s.53; R.S.S. 1978, c.B-10, s.53.

Completion or alteration

54(1) Where a security contains the signatures necessary to its issue or transfer but is incomplete in any other respect:

- (a) any person may complete it by filling in the blanks in accordance with his authority; and
- (b) notwithstanding that the blanks are incorrectly filled in, the security as completed is enforceable by a purchaser who took it for value and without notice of such incorrectness.

Enforceability

(2) A completed security that has been improperly altered, even if fraudulently altered, remains enforceable but only according to its original terms.

1976-77, c.10, s.54; R.S.S. 1978, c.B-10, s.54.

Warranties of agents

55(1) A person signing a security as authenticating trustee, registrar, transfer agent or other person entrusted by the issuer with the signing of the security, warrants to a purchaser for value without notice that:

- (a) the security is genuine;
- (b) his acts in connection with the issue of the security are within his authority; and
- (c) he has reasonable grounds for believing that the security is in the form and within the amount the issuer is authorized to issue.

Limitation of liability

(2) Unless otherwise agreed, a person referred to in subsection (1) does not assume any further liability for the validity of a security.

1976-77, c.10, s.55; R.S.S. 1978, c.B-10, s.55.

Title of purchaser

56(1) Upon delivery of a security the purchaser acquires the rights in the security that his transferor had or had authority to convey, except that a purchaser who has been a party to any fraud or illegality affecting the security or who as a prior holder had notice of an adverse claim does not improve his position by taking from a later bona fide purchaser.

Title of *bona fide* purchaser

(2) A *bona fide* purchaser, in addition to acquiring the rights of a purchaser, also acquires the security free from any adverse claim.

Limited interest

(3) A purchaser of a limited interest acquires rights only to the extent of the interest purchased.

1976-77, c.10, s.56; R.S.S. 1978, c.B-10, s.56.

Deemed notice of adverse claim

57(1) A purchaser of a security, or any broker for a seller or purchaser, is deemed to have notice of an adverse claim if:

- (a) the security, whether in bearer or registered form, has been endorsed “for collection” or “for surrender” or for some other purpose not involving transfer; or
- (b) the security is in bearer form and has on it a statement that it is the property of a person other than the transferor, except that the mere writing of a name on a security is not such a statement.

Notice of fiduciary duty

(2) Notwithstanding that a purchaser, or any broker for a seller or purchaser, has notice that a security is held for a third person or is registered in the name of or endorsed by a fiduciary, he has no duty to inquire into the rightfulness of the transfer and has no notice of an adverse claim, except that where a purchaser knows that the consideration is to be used for, or that the transaction is for, the personal benefit of the fiduciary or is otherwise in breach of the fiduciary’s duty, the purchaser is deemed to have notice of an adverse claim.

1976-77, c.10, s.57; R.S.S. 1978, c.B-10, s.57.

Staleness notice of adverse claim

58 An event that creates a right to immediate performance of the principal obligation evidenced by a security or that sets a date on or after which the security is to be presented or surrendered for redemption or exchange is not of itself notice of an adverse claim, except in the case of a purchase:

- (a) after one year from any date set for such presentation or surrender for redemption or exchange; or
- (b) after six months from any date set for payment of money against presentation or surrender of the security if funds are available for payment on that date.

1976-77, c.10, s.58; R.S.S. 1978, c.B-10, s.58.

Warranties to issuer

59(1) A person who presents a security for registration of transfer or for payment or exchange warrants to the issuer that he is entitled to the registration, payment or exchange, except that a purchaser for value without notice of an adverse claim who receives a new, reissued or reregistered security on registration of transfer warrants only that he has no knowledge of any unauthorized signature in a necessary endorsement.

Warranties to purchaser

(2) A person by transferring a security to a purchaser for value purchaser warrants only that:

- (a) the transfer is effective and rightful;
- (b) the security is genuine and has not been materially altered; and
- (c) he knows of nothing that might impair the validity of the security.

Warranties of intermediary

(3) Where a security is delivered by an intermediary known by the purchaser to be entrusted with delivery of the security on behalf of another or with collection of a draft or other claim to be collected against such delivery, the intermediary by such delivery warrants only his own good faith and authority even if he has purchased or made advances against the draft or other claim to be collected against the delivery.

Warranties of pledgee

(4) A pledgee or other holder for purposes of security who redelivers a security received, or after payment and on order of the debtor delivers that security to a third person, gives only the warranties of an intermediary under subsection (3).

Warranties of broker

(5) A broker gives to his customer, to the issuer and to a purchaser, as the case may be, the warranties provided in this section and has the rights and privileges of a purchaser under this section; and those warranties of and in favour of the broker acting as an agent are in addition to warranties given by his customer and warranties given in favour of his customer.

1976-77, c.10, s.59; R.S.S. 1978, c.B-10, s.59.

Right to compel endorsement

60 When a security in registered form is delivered to a purchaser without a necessary endorsement, he may become a *bona fide* purchaser only as of the time the endorsement is supplied, but against the transferor the transfer is complete upon delivery and the purchaser has a specifically enforceable right to have any necessary endorsement supplied.

1976-77, c.10, s.60; R.S.S. 1978, c.B-10, s.60.

Interpretation, "appropriate person"

61(1) In this section, "**appropriate person**" means:

- (a) the person specified by the security or by special endorsement to be entitled to the security;
- (b) if a person described in clause (a) is described as a fiduciary but is no longer serving in the described capacity, either that person or his successor;
- (c) if the security or endorsement mentioned in clause (a) specifies more than one person as fiduciaries and one or more are no longer serving in the described capacity, the remaining fiduciary or fiduciaries, whether or not a successor has been appointed or qualified;
- (d) if a person described in clause (a) is an individual and is without capacity to act by reason of death, incompetence, infancy, minority or otherwise, his fiduciary;
- (e) if the security or endorsement mentioned in clause (a) specifies more than one person with right of survivorship and by reason of death all cannot sign, the survivor or survivors;
- (f) a person having power to sign under applicable law or a power of attorney; or
- (g) to the extent that a person described in clauses (a) to (j) may act through an agent, his authorized agent.

Determining appropriate person

(2) Whether the person signing is an appropriate person is determined as of the time of signing and an endorsement by such a person does not become unauthorized for the purposes of this Division by reason of any subsequent change of circumstances.

Endorsement

(3) An endorsement of a security in registered form is made when an appropriate person signs, either on the security or on a separate document, an assignment or transfer of the security or a power to assign or transfer it, or when the signature of an appropriate person is written without more upon the back of the security.

Special or blank

(4) An endorsement may be special or in blank.

Blank endorsement

(5) An endorsement in blank includes an endorsement to bearer.

Special endorsement

(6) A special endorsement specifies the person to whom the security is to be transferred, or who has power to transfer it.

Right of holder

(7) A holder may convert an endorsement in blank into a special endorsement.

Immunity of endorser

(8) Unless otherwise agreed, the endorser by his endorsement assumes no obligation that the security will be honoured by the issuer.

Partial endorsement

(9) An endorsement purporting to be only of part of a security representing units intended by the issuer to be separately transferable is effective to the extent of the endorsement.

Failure of fiduciary to comply

(10) Failure of a fiduciary to comply with a controlling instrument or with the law of the jurisdiction governing the fiduciary relationship, including any law requiring the fiduciary to obtain court approval of a transfer, does not render his endorsement unauthorized for the purposes of this Division.

1976-77, c.10, s.61; R.S.S. 1978, c.B-10, s.61.

Effect of endorsement without delivery

62 An endorsement of a security whether special or in blank does not constitute a transfer until delivery of the security on which it appears or, if the endorsement is on a separate document, until delivery of both the security and that document.

1976-77, c.10, s.62; R.S.S. 1978, c.B-10, s.62.

Endorsement in bearer form

63 An endorsement of a security in bearer form may give notice of an adverse claim under section 57 but does not otherwise affect any right to registration that the holder has.

1976-77, c.10., s.63; R.S.S. 1978, c.B-10, s.63.

Effect of unauthorized endorsement

64(1) The owner of a security may assert the ineffectiveness of an endorsement against the issuer or any purchaser, other than a purchaser for value and without notice of an adverse claim who has in good faith received a new, reissued or re-registered security on registration of transfer, unless the owner:

- (a) has ratified an unauthorized endorsement of the security; or
- (b) is otherwise precluded from impugning the effectiveness of an unauthorized endorsement.

Liability of issuer

(2) An issuer who registers the transfer of a security upon an unauthorized endorsement is liable for improper registration.

1976-77, c.10, s.64; R.S.S. 1978, c.B-10, s.64.

Warranties of guarantor of signature

65(1) A person who guarantees a signature of an endorser of a security warrants that at the time of signing:

- (a) the signature was genuine;
- (b) the signer was an appropriate person as defined in section 61 to endorse; and
- (c) the signer had legal capacity to sign.

Limitation of liability

(2) A person who guarantees a signature of an endorser does not otherwise warrant the rightfulness of the particular transfer.

Warranties of guarantor of endorsement

(3) A person who guarantees an endorsement of a security warrants both the signature and the rightfulness of the transfer in all respects, but an issuer may not require a guarantee of endorsement as a condition to registration of transfer.

Extent of liability

(4) The warranties referred to in this section are made to any person taking or dealing with the security relying on the guarantee and the guarantor is liable to such person for any loss resulting from breach of warranty.

1976-77, c.10, s.65; R.S.S. 1978, c.B-10, s.65.

Constructive delivery of a security

66(1) Delivery to a purchaser occurs when:

- (a) he or a person designated by him acquires possession of a security;
- (b) his broker acquires possession of a security specially endorsed to or issued in the name of the purchaser;
- (c) his broker sends him confirmation of the purchase and the broker in his records identifies a specific security as belonging to the purchaser; or
- (d) with respect to an identified security to be delivered while still in the possession of a third person, that person acknowledges that he holds it for the purchaser.

Constructive ownership

(2) A purchaser is the owner of a security held for him by his broker, but a purchaser is not a holder except in the cases referred to in clauses (b) and (c) of subsection (1).

Ownership of part of fungible bulk

(3) If a security is part of a fungible bulk a purchaser of the security is the owner of a proportionate interest in the fungible bulk.

Notice to broker

(4) Notice of an adverse claim received by a broker or by a purchaser after the broker takes delivery as a holder for value is not effective against the broker or the purchaser, except that, as between the broker and the purchaser, the purchaser may demand delivery of an equivalent security as to which no notice of an adverse claim has been received.

1976-77, c.10, s.66; R.S.S. 1978, c.B-10, s.66.

Delivery of security

67(1) Unless otherwise agreed, if a sale of a security is made on an exchange or otherwise through brokers:

- (a) the selling customer fulfils his duty to deliver when he delivers the security to the selling broker or to a person designated by the selling broker or causes an acknowledgement to be made to the selling broker that it is held for him; and
- (b) the selling broker, including a correspondent broker, acting for a selling customer fulfils his duty to deliver by delivering the security or a like security to the buying broker or to a person designated by the buying broker or by effecting clearance of the sale in accordance with the rules of the exchange on which the transaction took place.

Duty to deliver

(2) Except as otherwise provided in this section and unless otherwise agreed, a transferor's duty to deliver a security under a contract of purchase is not fulfilled until he delivers the security in negotiable form to the purchaser or to a person designated by the purchaser, or causes an acknowledgement to be made to the purchaser that the security is held for him.

Delivery to broker

(3) A sale to a broker purchasing for his own account is subject to subsection (2) and not subsection (1), unless the sale is made on a stock exchange.

1976-77, c.10, s.67; R.S.S. 1978, c.B-10, s.67.

Right to reclaim possession

68(1) A person against whom the transfer of a security is wrongful for any reason, including his incapacity, may against anyone except a *bona fide* purchaser reclaim possession of the security or obtain possession of any new security evidencing all or part of the same rights or claim damages.

Recovery if unauthorized endorsement

(2) If the transfer of a security is wrongful by reason of an endorsement unauthorized endorsement, the owner may reclaim possession of the security or a new security even from a *bona fide* purchaser if the ineffectiveness of the purported endorsement may be asserted against such purchaser under section 64.

Remedies

(3) The right to reclaim possession of a security may be specifically enforced, its transfer may be restrained and the security may be impounded pending litigation.

1976-77, c.10, s.68; R.S.S. 1978, c.B-10, s.68.

Right to requisites for registration

69(1) Unless otherwise agreed, a transferor shall on demand supply a purchaser with proof of his authority to transfer or with any other requisite that is necessary to obtain registration of the transfer of a security, but if the transfer is not for value a transferor need not do so unless the purchaser pays the reasonable and necessary costs of the proof and transfer.

Rescission of transfer

(2) If the transferor fails to comply with a demand under subsection (1) within a reasonable time, the purchaser may reject or rescind the transfer.

1976-77, c.10, s.69; R.S.S. 1978, c.B-10, s.69.

Seizure of security

70 No seizure of a security or other interest evidenced thereby is effective until the person making the seizure obtains possession of the security.

1976-77, c.10, s.70; R.S.S. 1978, c.B-10, s.70.

Duty to register transfer

71(1) Where a security in registered form is presented for transfer, the issuer shall register the transfer if:

- (a) the security is endorsed by an appropriate person, as defined in section 61;
- (b) reasonable assurance is given that that endorsement is genuine and effective;
- (c) the issuer has no duty to inquire into adverse claims or has discharged any such duty;
- (d) any applicable law relating to the collection of taxes has been complied with;
- (e) the transfer is rightful or is to a *bona fide* purchaser; and
- (f) any fee referred to in subsection (2) of section 45 has been paid.

Liability for delay

(2) Where an issuer has a duty to register a transfer of a security, the issuer is liable to the person presenting it for registration for loss resulting from any unreasonable delay in registration or from failure or refusal to register the transfer.

1976-77, c.10, s.71; R.S.S. 1978, c.B-10, s.71.

Assurance that endorsement effective

72(1) An issuer may require an assurance that each necessary endorsement on a security is genuine and effective by requiring a guarantee of the signature of the person endorsing, and by requiring:

- (a) if the endorsement is by an agent, reasonable assurance of authority to sign;
- (b) if the endorsement is by a fiduciary, evidence of appointment or incumbency;
- (c) if there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; and
- (d) in any other case, assurance that corresponds as closely as practicable to the foregoing.

Interpretation, “guarantee of the signature”

(2) For the purposes of subsection (1), a **“guarantee of the signature”** means a guarantee signed by or on behalf of a person reasonably believed by the issuer to be responsible.

Standards

(3) An issuer may adopt reasonable standards to determine responsible persons for the purpose of subsection (2).

Interpretation “evidence of appointment or incumbency”

(4) **“Evidence of appointment or incumbency”** in clause (b) of subsection (1) means:

(a) in the case of a fiduciary appointed by a court, a copy of the order certified in accordance with subsection (7) of section 47, and dated not earlier than sixty days before the date a security is presented for transfer; or

(b) in any other case, a copy of a document showing the appointment or other evidence believed by the issuer to be appropriate.

Standards

(5) An issuer may adopt reasonable standards with respect to evidence for the purposes of clause (b) of subsection (4).

No notice to issuer

(6) An issuer is deemed not to have notice of the contents of any document obtained pursuant to subsection (4) except to the extent that the contents relate directly to appointment or incumbency.

Notice from excess documentation

(7) If an issuer demands assurance additional to that specified in this section for a purpose other than that specified in subsection (4) and obtains a copy of a will, trust or partnership agreement, bylaw or similar document, the issuer is deemed to have notice of all matters contained therein affecting the transfer.

1976-77, c.10, s.72; R.S.S. 1978, c.B-10, s.72.

Limited duty of inquiry

73(1) An issuer to whom a security is presented for registration has a duty to inquire into adverse claims if:

(a) written notice of an adverse claim is received at a time and in a manner that affords the issuer a reasonable opportunity to act on it before the issue of a new, reissued or re-registered security and the notice discloses the name and address of the claimant, the registered owner and the issue of which the security is a part; or

(b) the issuer is deemed to have notice of an adverse claim from a document that it obtained under subsection (7) of section 72.

Discharge of duty

(2) An issuer may discharge a duty of inquiry by any reasonable means, including notifying an adverse claimant by registered mail sent to the address furnished by him or, if no such address has been furnished, to his residence or regular place of business, that a security has been presented for registration of transfer by a named person, and that the transfer will be registered unless within thirty days from the date of mailing the notice either:

- (a) the issuer is served with a restraining order or other order of a court; or
- (b) the issuer is provided with an indemnity bond sufficient in the issuer's judgment to protect the issuer and any registrar, transfer agent or other agent of the issuer from any loss that may be incurred by any of them as a result of complying with the adverse claim.

Inquiry into adverse claims

(3) Unless an issuer is deemed to have notice of an adverse claim from a document that it obtained under subsection (7) of section 72 or has received notice of an adverse claim under subsection (1), if a security presented for registration is endorsed by the appropriate person as defined in section 61, the issuer has no duty to inquire into adverse claims, and in particular:

- (a) an issuer registering a security in the name of a person who is a fiduciary or who is described as a fiduciary is not bound to inquire into the existence, extent or correct description of the fiduciary relationship and thereafter the issuer may assume without inquiry that the newly registered owner continues to be the fiduciary until the issuer receives written notice that the fiduciary is no longer acting as such with respect to the particular security;
- (b) an issuer registering transfer on an endorsement by a fiduciary has no duty to inquire whether the transfer is made in compliance with the document or with the law of the jurisdiction governing the fiduciary relationship; and
- (c) an issuer is deemed not to have notice of the contents of any court record or any registered document even if the record or document is in the issuer's possession and even if the transfer is made on the endorsement of a fiduciary to the fiduciary himself or to his nominee.

Duration of notice

(4) A written notice of adverse claim received by an issuer is effective for twelve months from the date when it was received unless the notice is renewed in writing.

1976-77, c.10, s.73; R.S.S. 1978, c.B-10, s.73.

Limitation of issuer's liability

74(1) Except as otherwise provided in any applicable law relating to the collection of taxes, the issuer is not liable to the owner or any other person who incurs a loss as a result of the registration of a transfer of a security if:

- (a) the necessary endorsements were on or with the security; and
- (b) the issuer had no duty to inquire into adverse claims or had discharged any such duty.

Duty of issuer

(2) If an issuer has registered a transfer of a security to a person not entitled to it, the issuer shall on demand deliver a like security to the owner unless:

- (a) subsection (1) applies;
- (b) the owner is precluded by subsection (1) of section 75 from asserting any claim; or
- (c) the delivery would result in overissue, in which case the issuer's liability is governed by section 48.

1976-77, c.10, s.74; R.S.S. 1978, c.B-10, s.74.

Notice of lost or stolen security

75(1) Where a security has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the issuer of that fact by giving the issuer written notice of his adverse claim within a reasonable time after he knows of the loss, destruction or taking and if the issuer has registered a transfer of the security before receiving such notice, the owner is precluded from asserting against the issuer any claim to a new security.

Duty of issuer to issue a new security

(2) Where the owner of a security claims that the security has been lost, destroyed or wrongfully taken, the issuer shall issue a new security in place of the original security if the owner:

- (a) so requests before the issuer has notice that the security has been acquired by a *bona fide* purchaser;
- (b) furnishes the issuer with a sufficient indemnity bond; and
- (c) satisfies any other reasonable requirements imposed by the issuer.

Duty to register transfer

(3) If, after the issue of a new security under subsection (2), a *bona fide* purchaser of the original security presents the original security for registration of transfer, the issuer shall register the transfer unless registration would result in overissue, in which case the issuer's liability is governed by section 48.

Right of issuer to recover

(4) In addition to any rights on an indemnity bond, the issuer may recover a new security issued under subsection (2) from the person to whom it was issued or any person taking under him other than a *bona fide* purchaser.

1976-77, c.10, s.75; R.S.S. 1978, c.B-10, s.75.

Agent's duties, rights, etc.

76(1) An authenticating trustee, registrar, transfer agent or other agent of an issuer has, in respect of the issue, registration of transfer and cancellation of a security of the issuer:

- (a) a duty to the issuer to exercise good faith and reasonable diligence; and
- (b) the same obligations to the holder or owner of a security and the same rights, privileges and immunities as the issuer.

Notice to agent

(2) Notice to an authenticating trustee, registrar, transfer agent or other agent of an issuer is notice to the issuer with respect to the functions performed by the agent.

Agent or bailee acting in good faith

(3) An agent or bailee who in good faith, including observance of reasonable commercial standards if he is in the business of buying, selling or otherwise dealing with securities of a corporation, has received such securities and sold, pledged or delivered them according to the instructions of his principal is not liable for conversion or for participation in breach of fiduciary duty although the principal has no right to dispose of them.

1976-77, c.10, s.76; R.S.S. 1978, c.B-10, s.76.

DIVISION VII – TRUST INDENTURES

Interpretation

77(1) In this Division:

“event of default”

(a) **“event of default”** means an event specified in a trust indenture on the occurrence of which:

- (i) a security interest constituted by the trust indenture becomes enforceable; or
- (ii) the principal, interest and other moneys payable thereunder become or may be delared to be payable before maturity;

but the event is not an event of default until all conditions prescribed by the trust indenture in connection with such event for the giving of notice or the lapse of time or otherwise have been satisfied;

“trustee”

(b) **“trustee”** means any person appointed as trustee under the terms of a trust indenture to which a corporation is a party and includes any successor trustee;

“trust indenture”

(c) **“trust indenture”** means any deed, indenture or other instrument, including any supplement or amendment thereto, made by a corporation after its incorporation or continuance under this Act, under which the corporation issues debt obligations and in which a person is appointed as trustee for the holders of the debt obligations issued thereunder.

Application

(2) This Division applies to a trust indenture if the debt obligations issued or to be issued under the trust indenture are part of a distribution to the public.

1976-77, c.10, s.77; R.S.S. 1978, c.B-10, s.77.

Conflict of interest

78(1) No person shall be appointed as trustee if there is a material conflict of interest between his role as trustee and his role in any other capacity.

Eliminating conflict of interest

(2) A trustee shall, within ninety days after he becomes aware that a material conflict of interest exists:

- (a) eliminate such conflict of interest; or
- (b) resign from office.

Validity

(3) A trust indenture, any debt obligations issued thereunder and a security interest effected thereby are valid notwithstanding a material conflict of interest of the trustee.

Removal of trustee

(4) If a trustee contravenes subsection (1) or (2), any interested person may apply to a court for an order that the trustee be replaced, and the court may make an order on such terms as it thinks fit.

1976-77, c.10, s.78; R.S.S. 1978, c.B-10, s.78.

Qualification of trustee

79 A trustee, or at least one of the trustees if more than one is appointed, shall be a trust company licensed under *The Trust and Loan Companies Licensing Act*.

1976-77, c.10, s.79; R.S.S. 1978, c.B-10, s.79.

List of security holders

80(1) A holder of debt obligations issued under a trust indenture may, upon payment to the trustee of a reasonable fee, require the trustee to furnish within fifteen days after delivering to the trustee the statutory declaration referred to in subsection (4) a list setting out:

- (a) the names and addresses of the registered holders of the outstanding debt obligations;
- (b) the principal amount of outstanding debt obligations owned by each such holder; and
- (c) the aggregate principal amount of debt obligations outstanding;

as shown on the records maintained by the trustee on the day that the statutory declaration is delivered to that trustee.

Duty of issuer

(2) Upon the demand of a trustee, the issuer of debt obligations shall furnish the trustee with the information required to enable the trustee to comply with subsection (1).

Corporate applicant

(3) If the person requiring the trustee to furnish a list under subsection (1) is a body corporate, the statutory declaration required under that subsection shall be made by a director or officer of the body corporate.

Contents of statutory declaration

(4) The statutory declaration required under subsection (1) shall state:

- (a) the name and address of the person requiring the trustee to furnish the list and, if the person is a body corporate, the address for service thereof; and
- (b) that the list will not be used except as permitted under subsection (5).

Use of list

(5) A list obtained under this section shall not be used by any person except in connection with:

- (a) an effort to influence the voting of the holders of debt obligations;
- (b) an offer to acquire debt obligations; or
- (c) any other matter relating to the debt obligations or the affairs of the issuer or guarantor thereof.

Offence

(6) A person who, without reasonable cause, contravenes subsection (5) is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.80; R.S.S. 1978, c.B-10, s.80.

Evidence of compliance

81(1) An issuer or a guarantor of debt obligations issued or to be issued under a trust indenture shall, before doing any act under clause (a), (b) or (c), furnish the trustee with evidence of compliance with the conditions in the trust indenture relating to:

- (a) the issue, certification and delivery of debt obligations under the trust indenture;
- (b) the release or release and substitution of property subject to a security interest constituted by the trust indenture; or
- (c) the satisfaction and discharge of the trust indenture.

Duty of issuer or guarantor

(2) Upon the demand of a trustee, the issuer or guarantor of debt obligations issued or to be issued under a trust indenture shall furnish the trustee with evidence of compliance with the trust indenture by the issuer or guarantor in respect of any act to be done by the trustee at the request of the issuer or guarantor.

1976-77, c.10, s.81; R.S.S. 1978, c.B-10, s.81.

Contents of declaration, etc.

82 Evidence of compliance as required by section 81 shall consist of:

- (a) a statutory declaration or certificate made by a director or an officer of the issuer or guarantor stating that the conditions referred to in that section have been complied with; and
- (b) where the trust indenture requires compliance with conditions that are subject to review:
 - (i) by legal counsel, an opinion of legal counsel that such conditions have been complied with; and
 - (ii) by an auditor or accountant, an opinion or report of the auditor of the issuer or guarantor, or such other accountant as the trustee may select, that such conditions have been complied with.

1976-77, c.10, s.82; R.S.S. 1978, c.B-10, s.82.

Further evidence of compliance

83 The evidence of compliance referred to in section 82 shall include a statement by the person giving the evidence:

- (a) declaring that he has read and understands the conditions of the trust indenture described in section 81;
- (b) describing the nature and scope of the examination or investigation upon which he based the certificate, statement or opinion; and
- (c) declaring that he has made such examination or investigation as he believes necessary to enable him to make the statements or give the opinions contained or expressed therein.

1976-77, c.10, s.83; R.S.S. 1978, c.B-10, s.83.

Trustee may require evidence of compliance

84(1) Upon the demand of a trustee, the issuer or guarantor of debt obligations issued under a trust indenture shall furnish the trustee with evidence in such form as the trustee may require as to compliance with any condition thereto relating to any action required or permitted to be taken by the issuer or guarantor under the trust indenture.

Certificate of compliance

(2) At least once in each twelve-month period beginning on the date of the trust indenture and at any other time upon the demand of a trustee, the issuer or guarantor of debt obligations issued under a trust indenture shall furnish the trustee with a certificate that the issuer or guarantor has complied with all requirements contained in the trust indenture that, if not complied with, would, with the giving of notice, lapse of time or otherwise, constitute an event of default, or, if there has been failure to so comply, giving particulars thereof.

1976-77, c.10, s.84; R.S.S. 1978, c.B-10, s.84.

Notice of default

85 The trustee shall give to the holders of debt obligations issued under a trust indenture, within thirty days after the trustee becomes aware of the occurrence thereof, notice of every event of default arising under the trust indenture and continuing at the time the notice is given, unless the trustee reasonably believes that it is in the best interests of the holders of the debt obligations to withhold such notice and so informs the issuer and guarantor in writing.

1976-77, c.10, s.85; R.S.S. 1978, c.B-10, s.85.

Duty of care

86 A trustee in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the holders of the debt obligations issued under the trust indenture; and
- (b) exercise the care, diligence and skill of a reasonably prudent trustee.

1976-77, c.10, s.86; R.S.S. 1978, c.B-10, s.86.

Reliance on statements

87 Notwithstanding section 86, a trustee is not liable if he relies in good faith upon statements contained in a statutory declaration, certificate, opinion or report that complies with this Act or the trust indenture.

1976-77, c.10, s.87; R.S.S. 1978, c.B-10, s.87.

No exculpation

88 No term of a trust indenture or of any agreement between a trustee and the holders of debt obligations issued thereunder or between the trustee and the issuer or guarantor shall operate so as to relieve a trustee from the duties imposed upon him by section 86.

1976-77, c.10, s.88; R.S.S. 1978, c.B-10, s.88.

DIVISION VIII – RECEIVERS AND RECEIVER-MANAGERS

Functions of receiver

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

1976-77, c.10, s.89; R.S.S. 1978, c.B-10, s.89.

Functions of receiver manager

90 A receiver of a corporation may, if he is also appointed receiver-manager of the corporation, carry on any business of the corporation to protect the security interest of those on behalf of whom he is appointed.

1976-77, c.10, s.90; R.S.S. 1978, c.B-10, s.90.

Director's powers cease

91 If a receiver-manager is appointed by a court or under an instrument, the powers of the directors of the corporation that the receiver-manager is authorized to exercise may not be exercised by the directors until the receiver-manager is discharged.

1976-77, c.10, s.91; R.S.S. 1978, c.B-10, s.91.

Duty to act

92 A receiver or receiver-manager appointed by a court shall act in accordance with the directions of the court.

1976-77, c.10, s.92; R.S.S. 1978, c.B-10, s.92.

Duty under instrument

93 A receiver or receiver-manager appointed under an instrument shall act in accordance with that instrument and any direction of a court made under section 95.

1976-77, c.10, s.93; R.S.S. 1978, c.B-10, s.93.

Duty of care

94 A receiver or receiver-manager of a corporation appointed under an instrument shall:

- (a) act honestly and in good faith; and
- (b) deal with any property of the corporation in his possession or control in a commercially reasonable manner.

1976-77, c.10, s.94; R.S.S. 1978, c.B-10, s.94.

Directions given by court

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

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

1976-77, c.10, s.95; R.S.S. 1978, c.B-10, s.95.

Duties of receiver and receiver-manager

96 A receiver or receiver-manager shall:

- (a) immediately notify the Director of his appointment and discharge;
- (b) take into his custody and control the property of the corporation in accordance with the court order or instrument under which he is appointed;
- (c) open and maintain a bank account in his name as receiver or receiver-manager of the corporation for the moneys of the corporation coming under his control;
- (d) keep detailed accounts of all transactions carried out by him as receiver or receiver-manager;
- (e) keep accounts of his administration that shall be available during usual business hours for inspection by the directors of the corporation;
- (f) prepare at least once in every six-month period after the date of his appointment financial statements of his administration as far as is practicable in the form required by section 149;
- (g) upon completion of his duties, render a final account of his administration in the form adopted for interim accounts under clause (f); and
- (h) file with the Director a copy of any financial statement mentioned in clause (f) and any final account mentioned in clause (g) within fifteen days of the preparation of the financial statement or rendering of the final account, as the case may be.

1976-77, c.10, s.96; R.S.S. 1978, c.B-10, s.96.

DIVISION IX – DIRECTORS AND OFFICERS

Power to manage

97(1) Subject to any unanimous shareholder agreement, the directors of a corporation shall:

- (a) exercise the powers of the corporation directly or indirectly through the employees and agents of the corporation; and
- (b) direct the management of the business and affairs of the corporation.

Number of directors

(2) A corporation shall have one or more directors but a corporation, any of the issued securities of which are or were part of a distribution to the public, shall have not fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates.

Director's liability of restriction on powers

(3) If the articles restrict in whole or in part the powers of the directors to manage the business and affairs of the corporation, the shareholders have all the rights, powers and duties of the directors to the extent the articles restrict the powers of the directors, and the directors are thereby relieved of their duties and liabilities, including any liabilities under section 114, to the same extent.

1976-77, c.10, s.97; R.S.S. 1978, c.B-10, s.97.

Bylaws

98(1) Unless the articles, bylaws or a unanimous shareholder agreement otherwise provide, the directors may, by resolution make, amend, or repeal any bylaws that regulate the business or affairs of the corporation.

Shareholder approval

(2) The directors shall submit a bylaw, or an amendment or a repeal of a bylaw, made under subsection (1) to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend the bylaw, amendment or repeal.

Effective date

(3) A bylaw, or an amendment or a repeal of a bylaw, is effective from the date of the resolution of the directors under subsection (1) until it is confirmed, confirmed as amended or rejected by the shareholders under subsection (2) or until it ceases to be effective under subsection (4) and, where the bylaw is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.

Same

(4) If a bylaw, an amendment or a repeal is rejected by the shareholders, or if the directors do not submit a bylaw, an amendment or a repeal to the shareholders as required under subsection (2), the bylaw, amendment or repeal ceases to be effective and no subsequent resolution of the directors to make, amend or repeal a bylaw having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the shareholders.

Shareholder

(5) A shareholder entitled to vote at an annual meeting of shareholders may in accordance with section 131 make a proposal to make, amend or repeal a bylaw.

1976-77, c.10, s.98; R.S.S. 1978, c.B-10, s.98.

Organization meeting

99(1) After issue of the certificate of incorporation, a meeting of the directors of the corporation shall be held at which the directors may:

- (a) make bylaws;
- (b) adopt forms of security certificates and corporate records;
- (c) authorize the issue of securities;
- (d) appoint officers;
- (e) appoint an auditor to hold office until the first annual meeting of shareholders;
- (f) make banking arrangements; and
- (g) transact any other business.

(2) An incorporator or a director may call the meeting of directors referred to in subsection (1) by giving not less than five days' notice thereof by mail to each director, stating the time and place of the meeting.

1976-77, c.10, s.99; R.S.S. 1978, c.B-10, s.99.

Qualifications of directors

100(1) The following persons are disqualified from being a director of a corporation:

- (a) anyone who is less than eighteen years of age;
- (b) anyone who is of unsound mind and has been so found by a court in Canada or elsewhere;
- (c) a person who is not an individual; or
- (d) a person who has the status of bankrupt.

Further qualifications

(2) Unless the articles otherwise provide, a director of a corporation is not required to hold shares issued by the corporation.

Residency

(3) A majority of the directors of a corporation must be resident Canadians and at least one director must reside in Saskatchewan.

Exception for holding corporation

(4) Notwithstanding subsection (3), not more than one-third of the directors of a holding corporation need be resident Canadians if the holding corporation earns in Canada directly or through its subsidiaries less than five per cent of the gross revenues of the holding corporation and all of its subsidiary bodies corporate together as shown in the most recent consolidated financial statements of the holding corporation or the most recent financial statements of the holding corporation and its subsidiary bodies corporate.

1976-77, c.10, s.100; R.S.S. 1978, c.B-10, s.100.

Notice of directors

101(1) At the time of sending articles of incorporation, the incorporators shall send to the Director a notice of directors in prescribed form and the Director shall file the notice.

(2) Each director named in the notice referred to in subsection (1) holds office from the issue of the certificate of incorporation until the first meeting of shareholders.

(3) Subject to clause (h) of section 102, shareholders of a corporation shall, by ordinary resolution at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, elect directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election.

(4) It is not necessary that all directors elected at a meeting of shareholders hold office for the same term.

(5) A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election.

(6) Notwithstanding subsections (2), (3) and (5), if directors are not elected at a meeting of shareholders the incumbent directors continue in office until their successors are elected.

(7) If a meeting of shareholders fails to elect the number or the minimum number of directors required by the articles by reason of the disqualification, directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.

1976-77, c.10, s.101; R.S.S. 1978, c.B-10, s.101.

Cumulative voting

102 Where the articles provide for cumulative voting:

(a) the articles shall require a fixed number and not a minimum and maximum number of directors;

(b) each shareholder entitled to vote at an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by him multiplied by the number of directors to be elected, and he may cast all such votes in favour of one candidate or distribute them among the candidates in any manner;

(c) a separate vote of shareholders shall be taken with respect to each candidate nominated for director unless a resolution is passed unanimously permitting two or more persons to be elected by a single resolution;

(d) if a shareholder has voted for more than one candidate without specifying the distribution of his votes among the candidates, he is deemed to have distributed his votes equally among the candidates for whom he voted;

(e) if the number of candidates nominated for director exceeds the number of positions to be filled, the candidates who receive the least number of votes shall be eliminated until the number of candidates remaining equals the number of positions to be filled;

(f) each director ceases to hold office at the close of the first annual meeting of shareholders following his election;

(g) a director may not be removed from office if the votes cast against his removal would be sufficient to elect him and such votes could be voted cumulatively at an election at which the same total number of votes were cast and the number of directors required by the articles were then being elected; and

(h) the number of directors required by the articles may not be decreased if the votes cast against the motion to decrease would be sufficient to elect a director and such votes could be voted cumulatively at an election at which the same total number of votes were cast and the number of directors required by the articles were then being elected.

1976-77, c.10, s.102; R.S.S. 1978, c.B-10, s.102.

Ceasing to hold office

103(1) A director of a corporation ceases to hold office when:

- (a) he dies or resigns;
- (b) he is removed in accordance with section 104; or
- (c) he becomes disqualified under subsection (1) of section 100.

(2) A resignation of a director becomes effective at the time a written resignation is sent to the corporation, or at the time specified in the resignation, whichever is later.

1976-77, c.10, s.103; R.S.S. 1978, c.B-10, s.103.

Removal of directors

104(1) Subject to clause (g) of section 102, the shareholders of a corporation may by ordinary resolution at a special meeting remove any director or directors from office.

Exception

(2) Where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

Vacancy

(3) Subject to clauses (b) to (e) of section 102, a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed or, if not so filled, may be filled under section 106.

1976-77, c.10, s.104; R.S.S. 1978, c.B-10, s.104.

Attendance at meeting

105(1) A director of a corporation is entitled to receive notice of and to attend and be heard at every meeting of shareholders.

Statement of director

- (2) A director who:
- (a) resigns;
 - (b) receives a notice or otherwise learns of a meeting of shareholders called for the purpose of removing him from office; or
 - (c) receives a notice or otherwise learns of a meeting of directors or shareholders at which another person is to be appointed or elected to fill the office of director, whether because of his resignation or removal or because his term of office has expired or is about to expire;

is entitled to submit to the corporation a written statement giving the reasons for his resignation or the reasons why he opposes any proposed action or resolution.

Circulating statement

- (3) A corporation shall forthwith send a copy of the statement referred to in subsection (2) to every shareholder entitled to receive notice of any meeting referred to in subsection (1) and to the Director unless the statement is included in or attached to a management proxy circular required by section 144.

Immunity

- (4) No corporation or person acting on its behalf incurs any liability by reason only of circulating a director's statement in compliance with subsection (3).

1976-77, c.10, s.105; R.S.S. 1978, c.B-10, s.105.

Filling vacancy

- 106(1)** Notwithstanding subsection (3) of section 109, but subject to subsections (3) and (4), a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles.

Calling meeting

- (2) If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

Class director

- (3) Where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors and a vacancy occurs among those directors:
- (a) subject to subsection (4), the remaining directors elected by that class or series may fill the vacancy except a vacancy resulting from an increase in the number or minimum number of directors for that class or series or from a failure to elect the number or minimum number of directors for that class or series; or
 - (b) if there are no such remaining directors any holder of shares of that class or series may call a meeting of the holders thereof for the purpose of filling the vacancy.

Shareholders filling vacancy

(4) The articles may provide that a vacancy among the directors shall only be filled by a vote of the shareholders, or by a vote of the holders of any class or series of shares having an exclusive right to elect one or more directors if the vacancy occurs among the directors elected by that class or series.

Unexpired term

(5) A director appointed or elected to fill a vacancy holds office for the unexpired term of his predecessor.

1976-77, c.10, s.106; R.S.S. 1978, c.B-10, s.106.

Number of directors

107 The shareholders of a corporation may amend the articles to increase or, subject to clause (h) of section 102, to decrease the number of directors, or the minimum or maximum number of directors, but no decrease shall shorten the term of an incumbent director.

1976-77, c.10, s.107; R.S.S. 1978, c.B-10, s.107.

Notice of change of directors

108(1) Within fifteen days after a change is made among its directors, a corporation shall send to the Director a notice in prescribed form setting out the change and the Director shall file the notice.

Application to court

(2) Any interested person, or the Director, may apply to a court for an order to require a corporation to comply with subsection (1), and the court may so order and make any further order it thinks fit.

1976-77, c.10, s.108; R.S.S. 1978, c.B-10, s.108.

Meeting of director

109(1) Unless the articles or bylaws otherwise provide, the directors may meet at any place, and upon such notice as the bylaws require.

Quorum

(2) Subject to the articles or bylaws, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of directors and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors.

Canadian majority

(3) Directors, other than directors of a corporation referred to in subsection (4) of section 100, shall not transact business at a meeting of directors unless a majority of directors present are resident Canadians.

Exception

(4) Notwithstanding subsection (3), directors may transact business at a meeting of directors where a majority of resident Canadian directors is not present if:

(a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and

(b) a majority of resident Canadian directors would have been present had that director been present at the meeting.

Notice of meeting

(5) A notice of a meeting of directors shall specify any matter referred to in subsection (3) of section 110 that is to be dealt with at the meeting but, unless the bylaws otherwise provide, need not specify the purpose of or the business to be transacted at the meeting.

Waiver of notice

(6) A director may in any manner waive a notice of a meeting of directors; and attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Adjournment

(7) Notice of an adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.

One director meeting

(8) Where a corporation has only one director, that director may constitute a meeting.

Participation by telephone

(9) Subject to the bylaws, a director may, if all the directors of the corporation consent, participate in a meeting of directors or of a committee of directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed for the purposes of this Act to be present at that meeting.

1976-77, c.10, s.109; R.S.S. 1978, c.B-10, s.109.

Delegation

110(1) Directors of a corporation may appoint from their number a managing director who is a resident Canadian or a committee of directors and delegate to such managing director or committee any of the powers of the directors.

Canadian majority

(2) If the directors of a corporation, other than a corporation referred to in subsection (4) of section 100, appoint a committee of directors, a majority of the members of the committee must be resident Canadians.

Limits on authority

(3) Notwithstanding subsection (1), no managing director and no committee of directors has authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor;
- (c) issue securities except in the manner and on the terms authorized by the directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the corporation;

c. B-10**BUSINESS CORPORATIONS**

- (f) pay a commission referred to in section 39;
- (g) approve a management proxy circular referred to in Division XII;
- (h) approve any financial statements referred to in section 149; or
- (i) adopt, amend or repeal bylaws.

1976-77, c.10, s.110; R.S.S. 1978, c.B-10, s.110.

Validity of acts of directors and officers

111 An act of a director or officer is valid notwithstanding an irregularity in his election or appointment or a defect in his officers qualification.

1976-77, c.10, s.111; R.S.S. 1978, c.B-10, s.111.

Resolution in lieu of meeting

112(1) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors:

- (a) is as valid as if it had been passed at a meeting of directors or committee of directors; and
- (b) satisfies all the requirements of this Act relating to meetings of directors or a committee of directors.

Filing resolution

(2) A copy of every resolution referred to in subsection (1) shall be kept with the minutes of the proceedings of the directors or committee of directors.

1976-77, c.10, s.112; R.S.S. 1978, c.B-10, s.112.

Directors' liability

113(1) Directors of a corporation who vote for or consent to a resolution authorizing the issue of a share under section 25 for a consideration other than money are jointly and severally liable to the corporation to make good any amount by which the consideration received is less than the fair equivalent of the money that the corporation would have received if the share had been issued for money on the date of the resolution.

Further directors' liabilities

- (2) Directors of a corporation who vote for or consent to a resolution authorizing:
- (a) a purchase, redemption or other acquisition of shares contrary to section 32, 33 or 34;
 - (b) a commission contrary to section 39;
 - (c) a payment of a dividend contrary to section 40;
 - (d) financial assistance contrary to section 42;
 - (e) a payment of an indemnity contrary to section 119; or (f) a payment to a shareholder contrary to section 184 or 234;

are jointly and severally liable to restore to the corporation any amounts so distributed or paid and not otherwise recovered by the corporation.

Contribution

(3) A director who has satisfied a judgment rendered under this section is entitled to contribution from the other directors who voted for or consented to the unlawful act upon which the judgment was founded.

Recovery

(4) A director liable under subsection (2) is entitled to apply to a court for an order compelling a shareholder or other recipient to pay or deliver to the director any money or property that was paid or distributed to the shareholder or other recipient contrary to section 32, 33, 34, 39, 40, 42, 119, 184 or 234.

Order of court

(5) In connection with an application under subsection (4) a court may, if it is satisfied that it is equitable to do so:

- (a) order a shareholder or other recipient to pay or deliver to a director any money or property that was paid or distributed to the shareholder or other recipient contrary to section 32, 33, 34, 39, 40, 42, 119, 184 or 234;
- (b) order a corporation to return or issue shares to a person from whom the corporation has purchased, redeemed or otherwise acquired shares;
- (c) make any further order it thinks fit.

No liability

(6) A director is not liable under subsection (1) if he proves that he did not know and could not reasonably have known that the share was issued for a consideration less than the fair equivalent of the money that the corporation would have received if the share had been issued for money.

Limitation

(7) An action to enforce a liability imposed by this section may not be commenced after two years from the date of the resolution authorizing the action complained of.

1976-77, c.10, s.113; R.S.S. 1978, c.B-10, s.113.

Liability of directors for wages

114 Directors of a corporation are jointly and severally liable, in accordance with *The Labour Standards Act*, to employees of the corporation for all debts payable to each such employee for services performed for the corporation while they are such directors respectively.

1976-77, c.10, s.114; R.S.S. 1978, c.B-10, s.114.

Disclosure of interested director contract

115(1) A director or officer of a corporation who:

- (a) is a party to a material contract or proposed material contract with the corporation; or
- (b) is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the corporation;

shall disclose in writing to the corporation or request to have entered in the minutes of meetings of directors the nature and extent of his interest.

Time of disclosure for director

(2) The disclosure required by subsection (1) shall be made, in

- (a) at the meeting at which a proposed contract is first considered;
- (b) if the director was not then interested in a proposed contract, at the first meeting after he becomes so interested;

(c) if the director becomes interested after a contract is made, at the first meeting after he becomes so interested; or

(d) if a person who is interested in a contract later becomes a director, at the first meeting after he becomes a director.

Time of disclosure for officer

(3) The disclosure required by subsection (1) shall be made, in the case of an officer who is not a director:

(a) forthwith after he becomes aware that the contract or proposed contract is to be considered or has been considered at a meeting of directors;

(b) if the officer becomes interested after a contract is made, forthwith after he becomes so interested; or

(c) if a person who is interested in a contract later becomes an officer, forthwith after he becomes an officer.

Time of disclosure for director or officer

(4) If a material contract or proposed material contract is one that, in the ordinary course of the corporation's business, would not require approval by the directors or shareholders, a director or officer shall disclose in writing to the corporation or request to have entered in the minutes of meetings of directors the nature and extent of his interest forthwith after the director or officer becomes aware of the contract or proposed contract.

Voting

(5) A director referred to in subsection (1) may vote on any resolution to approve the contract if the contract is:

(a) an arrangement by way of security for money lent to or obligations undertaken by him for the benefit of the corporation or an affiliate;

(b) a contract relating primarily to his remuneration as a director, officer, employee or agent of the corporation or an affiliate;

(c) a contract for indemnity or insurance under section 119;

(d) a contract with an affiliate; or

(e) a contract other than a contract referred to in clauses (a) to (d);

but, in the case of a contract described in clause (e), no resolution shall be valid unless it is approved by not less than two-thirds of the votes of all the shareholders of the corporation to whom notice of the nature and extent of the director's interest in the contract or transaction is declared and disclosed in reasonable detail.

Continuing disclosure

(6) For the purposes of this section, a general notice to the directors by a director or officer, declaring that he is a director or officer of or has a material interest in a person and is to be regarded as interested in any contract made with that person, is a sufficient declaration of interest in relation to any contract so made.

Avoidance standards

(7) A material contract between a corporation and one or more of its directors or officers, or between a corporation and another person of which a director or officer of the corporation is a director or officer or in which he has a material interest, is neither void nor voidable by reason only of that relationship or by reason only that a director with an interest in the contract is present at or is counted to determine the presence of a quorum at a meeting of directors or committee of directors that authorized the contract, if the director or officer disclosed his interest in accordance with subsection (2), (3), (4) or (6), as the case may be, and the contract was approved by the directors or the shareholders and it was reasonable and fair to the corporation at the time it was approved.

Application to court

(8) Where a director or officer of a corporation fails to disclose his interest in a material contract in accordance with this section, a court may, upon the application of the corporation or a shareholder of the corporation, set aside the contract on such terms as it thinks fit.

1976-77, c.10, s.115; R.S.S. 1978, c.B-10, s.115.

Officers

116 Subject to the articles, the bylaws or any unanimous shareholder agreement:

- (a) the directors may designate the offices of the corporation, appoint as officers persons of full capacity, specify their duties and delegate to them powers to manage the business and affairs of the corporation, except powers to do anything referred to in subsection (3) of section 110;
- (b) a director may be appointed to any office of the corporation; and
- (c) two or more offices of the corporation may be held by the same person.

1976-77, c.10, s.116; R.S.S. 1978, c.B-10, s.116.

Duty of care of directors and officers

117(1) Every director and officer of a corporation in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Duty to comply

(2) Every director and officer of a corporation shall comply with this Act, the regulations, articles, bylaws and any unanimous shareholder agreement.

No exculpation

(3) Subject to subsection (4) of section 140, no provision in a contract, the articles, the bylaws or a resolution relieves a director or officer from the duty to act in accordance with this Act or the regulations or relieves him from liability for a breach thereof.

1976-77, c.10, s.117; R.S.S. 1978, c.B-10, s.117.

Dissent

118(1) A director who is present at a meeting of directors or committee of directors is deemed to have consented to any resolution passed or action taken thereat unless:

- (a) he requests that his dissent be or his dissent is entered in the minutes of the meeting;
- (b) he sends his written dissent to the secretary of the meeting before the meeting is adjourned; or
- (c) he sends his dissent by registered mail or delivers it to the registered office of the corporation immediately after the meeting is adjourned.

Loss of right to dissent

(2) A director who votes for or consents to a resolution is not entitled to dissent under subsection (1).

Dissent of absent director

(3) A director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented thereto unless within seven days after he becomes aware of the resolution he:

- (a) causes his dissent to be placed with the minutes of the meeting; or
- (b) sends his dissent by registered mail or delivers it to the registered office of the corporation.

Reliance on statements

(4) A director is not liable under section 113, 114 or 117 if he relies in good faith upon:

- (a) financial statements of the corporation represented to him by an officer of the corporation or in a written report of the auditor of the corporation fairly to reflect the financial condition of the corporation; or
- (b) a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

1976-77, c.10, s.118; R.S.S. 1978, c.B-10, s.118.

Indemnification

119(1) Except in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favour, a corporation may indemnify a director or officer of the corporation, a former director or officer of the corporation or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate, if:

- (a) he acted honestly and in good faith with a view to the best interests of the corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

Indemnification in derivative actions

(2) A corporation may with the approval of a court indemnify a person referred to in subsection (1) in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favour, to which he is made a party by reason of being or having been a director or an officer of the corporation or body corporate, against all costs, charges and expenses reasonably incurred by him in connection with such action if he fulfils the conditions set out in clauses (a) and (b) of subsection (1).

Right to indemnify

(3) Notwithstanding anything in this section, upon the application of an interested person a court may determine that a person referred to in subsection (1) is entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by him in connection with the defence of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director of the corporation or body corporate, if the court is satisfied that the person seeking indemnity:

- (a) was substantially successful on the merits in his defence of the action or proceeding;
- (b) qualifies in accordance with the standards set out in subsection (1) or (2); and
- (c) is fairly and reasonably entitled to indemnity.

Directors' and officers' insurance

(4) A corporation may purchase and maintain insurance for the benefit of any person referred to in this section against any liability incurred by him under clause (b) of subsection (1) of section 117 in his capacity as a director or officer of the corporation.

Application to court

(5) A corporation or a person referred to in subsection (1) may apply to a court for an order approving an indemnity under this section and the court may so order and make any further order it thinks fit.

Notice to director

(6) An applicant under subsection (5) shall give the Director notice of the application and the Director is entitled to appear and be heard in person or by counsel.

Other notice

(7) Upon an application under subsection (5), the court may order notice to be given to any interested person and such person is entitled to appear and be heard in person or by counsel.

1976-77, c.10, s.119; R.S.S. 1978, c.B-10, s.119.

Remuneration

120 Subject to the articles, the bylaws or any unanimous shareholder agreement, the directors of a corporation may fix the remuneration of the directors, officers and employees of the corporation.

1976-77, c.10, s.120; R.S.S. 1978, c.B-10, s.120.

DIVISION X – INSIDER TRADING

Interpretation "insider"

121 In this Division, **"insider"** means:

- (a) a director or an officer of a corporation;
- (b) a corporation that purchases or otherwise acquires shares issued by it or by any of its affiliates;
- (c) a person who beneficially owns more than ten per cent of the shares of a corporation or who exercises control or direction over more than ten per cent of the votes attached to the shares of a corporation;
- (d) a person employed or retained by a corporation;
- (e) an associate or affiliate of a person mentioned in clauses (a) to (d); and
- (f) a person who receives specific confidential information from a person described in this section, including a person described in this clause, and who has knowledge that the person giving the information is a person described in this section, including a person described in this clause.

1976-77, c.10, s.121; R.S.S. 1978, c.B-10, s.121.

Same

122(1) For the purposes of this Division:

- (a) a director or officer of a body corporate that is an insider of a corporation is deemed to be an insider of the corporation;
- (b) a director or officer of a body corporate that is a subsidiary is deemed to be an insider of its holding corporation;
- (c) a person is deemed to own beneficially shares beneficially owned by a body corporate controlled by him directly or indirectly; and
- (d) a body corporate is deemed to own beneficially shares beneficially owned by its affiliates.

Deemed insiders

(2) For the purposes of this Division:

- (a) if a body corporate becomes an insider of a corporation, or enters into a business combination with a corporation, a director or officer of the body corporate is deemed to have been an insider of the corporation for the previous six months or for such shorter period as he was a director or an officer of the body corporate; and
- (b) if a corporation becomes an insider of a body corporate, or enters into a business combination with a body corporate, a director or an officer of the body corporate is deemed to have been an insider of the corporation for the previous six months or for such shorter period as he was a director or officer of the body corporate.

1976-77, c.10, s.122; R.S.S. 1978, c.B-10, s.122.

Interpretation, "business combination"

123 In subsection (2) of section 122 "**business combination**" means an acquisition of all or substantially all the property of one body corporate by another or an amalgamation of two or more bodies corporate.

1976-77, c.10, s.123; R.S.S. 1978, c.B-10, s.123.

Civil liability

124 An insider who, in connection with a transaction in a security of the corporation or any of its affiliates, makes use of any specific confidential information for his own benefit or advantage that, if generally known, might reasonably be expected to affect materially the value of the security:

(a) is liable to compensate any person for any direct loss suffered by that person as a result of the transaction, unless the information was known or in the exercise of reasonable diligence should have been known to that person; and

(b) is accountable to the corporation for any direct benefit or advantage received or receivable by the insider as a result of the transaction.

1976-77, c.10, s.124; R.S.S. 1978, c.B-10, s.124.

Limitation

125 An action to enforce a right created by section 124 may be commenced only within two years after the date of completion of the transaction that gave rise to the cause of action.

1976-77, c.10, s.125; R.S.S. 1978, c.B-10, s.125.

DIVISION XI – SHAREHOLDERS

Place of meetings

126(1) Meetings of shareholders of a corporation shall be held at the place within Saskatchewan provided in the bylaws or, in the absence of such provision, at the place within Saskatchewan that the directors determine.

Meeting outside Saskatchewan

(2) Notwithstanding subsection (1), a meeting of shareholders of a corporation may be held outside Saskatchewan if all the shareholders entitled to vote at that meeting so agree, and a shareholder who attends a meeting of shareholders held outside Saskatchewan is deemed to have so agreed except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

Same

(3) Notwithstanding subsections (1) and (2), where the articles so provide, meetings of shareholders may be held outside Saskatchewan at one or more places specified in the articles.

1976-77, c.10, s.126; R.S.S. 1978, c.B-10, s.126.

Calling meetings

127 The directors of a corporation:

- (a) shall call an annual meeting of shareholders not later than eighteen months after the corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting; and
- (b) may at any time call a special meeting of shareholders.

1976-77, c.10, s.127; R.S.S. 1978, c.B-10, s.127.

Fixing record date

128(1) For the purpose of determining shareholders:

- (a) entitled to receive payment of a dividend;
- (b) entitled to participate in a liquidation distribution; or
- (c) for any other purpose except the right to receive notice of or to vote at a meeting;

the directors may fix in advance a date as the record date for such determination of shareholders, but such record date shall not precede by more than fifty days the particular action to be taken.

Notice of meeting

(2) For the purpose of determining shareholders entitled to receive notice of a meeting of shareholders, the directors may fix in advance a date as the record date for such determination of shareholders, but such record date shall not precede by more than fifty days or by less than twenty-one days the date on which the meeting is to be held.

No record date fixed

(3) If no record date is fixed:

- (a) the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders shall be:
 - (i) at the close of business on the day immediately preceding the day on which the notice is given; or
 - (ii) if no notice is given, the day on which the meeting is held; and
- (b) the record date for the determination of shareholders for any purpose other than that specified in clause (a) shall be at the close of business on the day on which the directors pass the resolution relating thereto.

When record date fixed

(4) If a record date is fixed, notice thereof shall, not less than seven days before the date so fixed, be given:

- (a) by advertisement in a newspaper published or distributed in the place where the corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of its shares may be recorded; and
- (b) by written notice to each stock exchange in Canada on which the shares of the corporation are listed for trading.

1976-77, c.10, s.128; R.S.S. 1978, c.B-10, s.128.

Notice or meeting

129(1) Notice of the time and place of a meeting of shareholders shall be sent not less than twenty-one days nor more than fifty days before the meeting:

- (a) to each shareholder entitled to vote at the meeting;
- (b) to each director; and
- (c) to the auditor of the corporation.

Exception

(2) A notice of a meeting is not required to be sent to shareholders who were not registered on the records of the corporation or its transfer agent on the record date determined under subsection (2) or (3) of section 128, but failure to receive a notice does not deprive a shareholder of the right to vote at the meeting.

Adjournment

(3) If a meeting of shareholders is adjourned for less than thirty days it is not necessary, unless the bylaws otherwise provide, to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned.

Notice of adjourned meeting

(4) If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety days, subsection (1) of section 143 does not apply.

Business

(5) All business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the financial statements, auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

Notice of business

(6) Notice of a meeting of shareholders at which special business is to be transacted shall state:

- (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and
- (b) the text of any special resolution to be submitted to the meeting.

1976-77, c.10, s.129; R.S.S. 1978, c.B-10, s.129.

Waiver of notice

130 A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting, except where he attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

1976-77, c.10, s.130; R.S.S. 1978, c.B-10, s.130.

Shareholder proposal

131(1) A shareholder entitled to vote at an annual meeting of shareholders may:

- (a) submit to the corporation notice of any matter that he proposes to raise at the meeting, hereinafter referred to as a “proposal”; and
- (b) discuss at the meeting any matter in respect of which he would have been entitled to submit a proposal.

Information circular

(2) A corporation that solicits proxies shall set out the proposal in the management proxy circular required by section 144 or attach the proposal thereto.

Supporting statement

(3) If so requested by the shareholder, the corporation shall include in the management proxy circular or attach thereto a statement by the shareholder of not more than two hundred words in support of the proposal, and the name and address of the shareholder.

Nomination for director

(4) A proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than five per cent of the shares or five per cent of the shares of a class of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented, but this subsection does not preclude nominations made at a meeting of shareholders of a corporation that is not required to solicit proxies under section 143.

Exemptions

- (5) A corporation is not required to comply with subsections (2) and (3) if:
- (a) the proposal is not submitted to the corporation at least ninety days before the anniversary date of the previous annual meeting of shareholders;
 - (b) it clearly appears that the proposal is submitted by the shareholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the corporation or its directors, officers or security holders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes;
 - (c) the corporation, at the shareholder’s request, included a proposal in a management proxy circular relating to a meeting of shareholders held within two years preceding the receipt of such request, and the shareholder failed to present the proposal, in person or by proxy, at the meeting;
 - (d) substantially the same proposal was submitted to shareholders in a management proxy circular or a dissident’s proxy circular relating to a meeting of shareholders held within two years preceding the receipt of the shareholder’s request and the proposal was defeated; or
 - (e) the rights conferred by this section are being abused to secure publicity.
- (6) No corporation or person acting on its behalf incurs any liability by reason only of circulating a proposal or statement in compliance with this section.

Notice of refusal

(7) If a corporation refuses to include a proposal in a management proxy circular, the corporation shall, within ten days after receiving the proposal, notify the shareholder submitting the proposal of its intention to omit the proposal from the management proxy circular and send to him a statement of the reasons for the refusal.

Shareholder application to court

(8) Upon the application of a shareholder claiming to be aggrieved by a corporation's refusal under subsection (7), a court may restrain the holding of the meeting to which the proposal is sought to be presented and make any further order it thinks fit.

Corporation's application to court

(9) The corporation or any person claiming to be aggrieved by a proposal may apply to a court for an order permitting the corporation to omit the proposal from the management proxy circular, and the court, if it is satisfied that subsection (5) applies, may make such order as it thinks fit.

Director entitled to notice

(10) An applicant under subsection (8) or (9) shall give the Director notice of the application and the Director is entitled to appear and be heard in person or by counsel.

1976-77, c.10, s.131; R.S.S. 1978, c.B-10, s.131.

Shareholder list

132(1) A corporation shall prepare a list of shareholders entitled to receive notice of a meeting, arranged in alphabetical order and showing the number of shares held by each shareholder:

- (a) if a record date is fixed under subsection (2) of section 128, not later than ten days after that date; or
- (b) if no record date is fixed:
 - (i) at the close of business on the day immediately preceding the day on which the notice is given; or
 - (ii) where no notice is given, the day on which the meeting is held.

Effect of list

(2) Where a corporation fixes a record date under subsection (2) of section 128, a person named in the list prepared under clause (a) of subsection (1) is entitled to vote the shares shown opposite his name at the meeting to which the list relates, except to the extent that:

- (a) the person has transferred the ownership of any of his shares after the record date; and
- (b) the transferee of the shares referred to in clause (a):
 - (i) produces properly endorsed share certificates; or
 - (ii) otherwise establishes that he owns the shares;

and demands, not later than ten days before the meeting, that his name be included in the list before the meeting;

in which case the transferee is entitled to vote his shares at the meeting.

Effect of list

(3) Where a corporation does not fix a record date under subsection (2) of section 128, a person named in a list prepared under clause (b) of subsection (1) is entitled to vote the shares shown opposite his name at the meeting to which the list relates.

Examination of list

- (4) A shareholder may examine the list of shareholders:
- (a) during usual business hours at the registered office of the corporation or at the place where its central securities register is maintained; and
 - (b) at the meeting of shareholders for which the list was prepared.

1976-77, c.10, s.132; R.S.S. 1978, c.B-10, s.132.

Quorum

- 133(1)** Unless the bylaws otherwise provide, the holders of a majority of the shares entitled to vote at a meeting of shareholders, whether present in person or by proxy, constitute a quorum.

Opening quorum sufficient

- (2) If a quorum is present at the opening of a meeting of shareholders, the shareholders present may, unless the bylaws otherwise provide, proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

Adjournment

- (3) If a quorum is not present at the opening of a meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

One shareholder meeting

- (4) If a corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

1976-77, c.10, s.133; R.S.S. 1978, c.B-10, s.133.

Right to vote

- 134(1)** Unless the articles otherwise provide, each share of a corporation entitles the holder thereof to one vote at a meeting of shareholders.

Representative

- (2) If a body corporate or association is a shareholder of a corporation, the corporation shall recognize any individual authorized by a resolution of the directors or governing body of the body corporate or association to represent it at meetings of shareholders of the corporation.

Powers of representative

- (3) An individual authorized under subsection (2) may exercise on behalf of the body corporate or association he represents all the powers it could exercise if it were an individual shareholder.

Joint shareholders

- (4) Unless the bylaws otherwise provide, if two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

1976-77, c.10, s.134; R.S.S. 1978, c.B-10, s.134.

Voting

135(1) Unless the bylaws otherwise provide, voting at a meeting of shareholders shall be by show of hands except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting.

Ballot

(2) A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands.

1976-77, c.10, s.135; R.S.S. 1978, c.B-10, s.135.

Resolution in lieu of meeting

136(1) Except where a written statement is submitted by a director under subsection (2) of section 105 or by an auditor under subsection (5) of section 162:

(a) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and

(b) a resolution in writing dealing with all matters required by this Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of this Act relating to meetings of shareholders.

Filing resolution

(2) A copy of every resolution referred to in subsection (1) shall be kept with the minutes of the meetings of shareholders.

1976-77, c.10, s.136; R.S.S. 1978, c.B-10, s.136.

Requisition of meeting

137(1) The holders of not less than five per cent of the issued shares of a corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

Form

(2) The requisition referred to in subsection (1), which may consist of several documents of like form each signed by one or more shareholders, shall state the business to be transacted at the meeting and shall be sent to each director and to the registered office of the corporation.

Directors calling meeting

(3) Upon receiving the requisition referred to in subsection (1), the directors shall call a meeting of shareholders to transact the business stated in the requisition, unless:

(a) a record date has been fixed under subsection (2) of section 128 and notice thereof has been given under subsection (4) of section 128;

(b) the directors have called a meeting of shareholders and have given notice thereof under section 129; or

(c) the business of the meeting as stated in the requisition includes matters described in clauses (b) to (e) of subsection (5) of section 131.

Shareholder calling meeting

(4) If the directors do not within twenty-one days after receiving the requisition referred to in subsection (1) call a meeting, any shareholder who signed the requisition may call the meeting.

Procedure

(5) A meeting called under this section shall be called as nearly as possible in the manner in which meetings are to be called pursuant to the bylaws, this Division and Division XII.

Reimbursement

(6) Unless the shareholders otherwise resolve at a meeting called under subsection (4), the corporation shall reimburse the shareholders the expenses reasonably incurred by them in requisitioning, calling and holding the meeting.

1976-77, c.10, s.137; R.S.S. 1978, c.B-10, s.137.

Meeting called by court

138(1) If for any reason it is impracticable to call a meeting of shareholders of a corporation in the manner in which meetings of those shareholders may be called, or to conduct the meeting in the manner prescribed by the bylaws and this Act, or if for any other reason a court thinks fit, the court, upon the application of a director, a shareholder entitled to vote at the meeting or the Director, may order a meeting to be called, held and conducted in such manner as the court directs.

Varying quorum

(2) Without restricting the generality of subsection (1), the court may order that the quorum required by the bylaws or this Act be varied or dispensed with at a meeting called, held and conducted pursuant to this section.

Valid meeting

(3) A meeting called, held and conducted pursuant to this section is for all purposes a meeting of shareholders of the corporation duly called, held and conducted.

1976-77, c.10, s.138; R.S.S. 1978, c.B-10, s.138.

Court review of election

139(1) A corporation or a shareholder or director may apply to a court to determine any controversy with respect to an election or appointment of a director or auditor of the corporation.

(2) Upon an application under this section, the court may make any order it thinks fit including, without limiting the generality of the foregoing:

- (a) an order restraining a director or auditor whose election or appointment is challenged from acting pending determination of the dispute;
- (b) an order declaring the result of the disputed election or appointment;
- (c) an order requiring a new election or appointment, and including in the order directions for the management of the business and affairs of the corporation until a new election is held or appointment made;
- (d) an order determining the voting rights of shareholders and of persons claiming to own shares.

1976-77, c.10, s.139; R.S.S. 1978, c.B-10, s.139.

Pooling agreement

140(1) A written agreement between two or more shareholders may provide that in exercising voting rights the shares held by them shall be voted as therein provided.

Unanimous shareholder agreement

(2) An otherwise lawful written agreement among all the shareholders of a corporation, or among all the shareholders and a person who is not a shareholder, that restricts, in whole or in part, the powers of the directors to manage the business and affairs of the corporation is valid.

Constructive party

(3) Subject to subsection (8) of section 45, a transferee of shares subject to a unanimous shareholder agreement is deemed to be a party to the agreement.

Rights of shareholder

(4) A shareholder who is a party to a unanimous shareholder agreement has all the rights, powers and duties and incurs all the liabilities of a director of the corporation to which the agreement relates to the extent that the agreement restricts the discretion or powers of the directors to manage the business and affairs of the corporation, and the directors are thereby relieved of their duties and liabilities to the same extent.

Filing of notice of agreement

(5) Where a unanimous shareholder agreement is executed or terminated, written notice of that fact together with the date of the execution or termination thereof shall be filed with the Director within fifteen days.

1976-77, c.10, s.140; R.S.S. 1978, c.B-10, s.140.

DIVISION XII — PROXIES

Interpretation

141 In this Division:

“form of proxy”

(a) **“form of proxy”** means a written or printed form that, upon completion and execution by or on behalf of a shareholder, becomes a proxy;

“proxy”

(b) **“proxy”** means a completed and executed form of proxy by means of which a shareholder appoints a proxyholder to attend and act on his behalf at a meeting of shareholders;

“registrant”

(c) **“registrant”** means a securities broker or dealer required to be registered to trade or deal in securities under the laws of any jurisdiction;

“solicit” or “solicitation”

(d) **“solicit” or “solicitation”** includes:

(i) a request for a proxy whether or not accompanied by or included in a form of proxy;

(ii) a request to execute or not to execute a form of proxy or to revoke a proxy;

(iii) the sending of a form of proxy or other communication to a shareholder under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy; and

(iv) the sending of a form of proxy to a shareholder under section 143;

but does not include:

(v) the sending of a form of proxy in response to an unsolicited request made by or on behalf of a shareholder;

(vi) the performance of administrative acts or professional services on behalf of a person soliciting a proxy;

(vii) the sending by a registrant of the documents referred to in section 147; or

(viii) a solicitation by a person in respect of shares of which he is the beneficial owner;

“solicitation by or on behalf of the management of a corporation”

(e) **“solicitation by or on behalf of the management of a corporation”** means a solicitation by any person pursuant to a resolution or instructions of or with the acquiescence of, the directors or a committee of the directors.

1976-77, c.10, s.141; R.S.S. 1978, c.B-10, s.141.

Appointing proxy holder

142(1) A shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

Execution of proxy

(2) A proxy shall be executed by the shareholder or by his attorney authorized in writing.

Validity of proxy

(3) A proxy is valid only at the meeting in respect of which it is given or any adjournment thereof.

Revocation of proxy

(4) A shareholder may revoke a proxy:

(a) by depositing an instrument in writing executed by him or by his attorney authorized in writing:

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

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

(b) in any other manner permitted by law.

Deposit of proxies

(5) The directors may specify in a notice calling a meeting of shareholders a time not exceeding forty-eight hours, excluding Saturdays and holidays, preceding the meeting or an adjournment thereof before which time proxies to be used at the meeting must be deposited with the corporation or its agent.

1976-77, c.10, s.142; R.S.S. 1978, c.B-10, s.142.

Mandatory solicitation

143(1) Subject to subsection (2), the management of a corporation shall, concurrently with giving notice of a meeting of shareholders, send a form of proxy in prescribed form to each shareholder who is entitled to receive notice of the meeting.

Exception

(2) Where a corporation has fewer than fifteen shareholders, two or more joint holders being counted as one shareholder, the management of the corporation is not required to send a form of proxy under subsection (1).

Offence

(3) If the management of a corporation fails to comply, without reasonable cause, with subsection (1), the corporation is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000.

Offence of director or officer

(4) Where a corporation is guilty of an offence under subsection (3), then, whether or not the corporation has been prosecuted or convicted, any director or officer of the corporation who knowingly authorizes, permits or acquiesces in such failure is also guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.143; R.S.S. 1978, c.B-10, s.143.

Soliciting proxies

144(1) A person shall not solicit proxies unless:

- (a) in the case of solicitation by or on behalf of the management of a corporation, a management proxy circular in prescribed form, either as an appendix to or as a separate document accompanying the notice of the meeting; or
- (b) in the case of any other solicitation, a dissident's proxy circular in prescribed form stating the purposes of the solicitation;

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

Copy of Director

(2) A person required to send a management proxy circular or dissident's proxy circular shall send concurrently a copy thereof to the Director together with a copy of the notice of meeting, form of proxy and any other documents for use in connection with the meeting.

Offence

(3) A person who fails to comply with subsections (1) and (2) is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

Offence of director or officer

(4) If the person guilty of an offence under subsection (3) is a body corporate, then, whether or not the body corporate has been prosecuted or convicted, any director or officer of the body corporate who knowingly authorizes, permits or acquiesces in such failure is also guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.144; R.S.S. 1978, c.B-10, s.144.

Exemption order

145 Upon the application of an interested person, the Director may on such terms as he thinks fit exempt such person from any of the requirements of section 143 or subsection (1) of section 144, which exemption may have retrospective effect.

1976-77, c.10, s.145; R.S.S. 1978, c.B-10, s.145.

Attendance at meeting

146(1) A person who solicits a proxy and is appointed proxyholder shall attend in person or cause an alternate proxyholder to attend the meeting in respect of which the proxy is given and comply with the directions of the shareholder who appointed him.

Offence

(2) A proxyholder or alternate proxyholder who without reasonable cause fails to comply with the directions of a shareholder under this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.146; R.S.S. 1978, c.B-10, s.146.

Duty of restraint

147(1) Shares of a corporation that are registered in the name of a registrant or his nominee and not beneficially owned by the registrant shall not be voted unless the registrant forthwith after receipt thereof sends to the beneficial owner:

(a) a copy of the notice of the meeting, financial statements, management proxy circular, dissident's proxy circular and any other documents other than the form of proxy, sent to shareholders by or on behalf of any person for use in connection with the meeting; and

(b) except where the registrant has received written voting instructions from the beneficial owner, a written request for such instructions.

Beneficial owner unknown

(2) A registrant shall not vote or appoint a proxyholder to vote shares registered in his name or in the name of his nominee that he does not beneficially own unless he receives voting instructions from the beneficial owner.

Copies

(3) A person by or on behalf of whom a solicitation is made shall, at the request of a registrant, forthwith furnish to the registrant at that person's expense the necessary number of copies of the documents referred to in clause (a) of subsection (1).

Instructions to registrant

(4) A registrant shall vote or appoint a proxyholder to vote any shares referred to in subsection (1) in accordance with any written voting instructions received from the beneficial owner.

Beneficial owner as proxyholder

(5) If requested by a beneficial owner, a registrant shall appoint the beneficial owner or a nominee of the beneficial owner as proxyholder.

Validity

(6) The failure of a registrant to comply with this section does not render void any meeting of shareholders or any action taken thereat.

Limitation

(7) Nothing in this section gives a registrant the right to vote shares that he is otherwise prohibited from voting.

Offence

(8) A registrant who knowingly fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

Offence of director

(9) If the registrant guilty of an offence under subsection (8) is a body corporate, then, whether or not the body corporate has been prosecuted or convicted, any director or officer of the body corporate who knowingly authorizes, permits or acquiesces in such failure is also guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.147; R.S.S. 1978, c.B-10, s.147.

Restraining order

148(1) If a form of proxy, management proxy circular or dissident's proxy circular contains an untrue statement of a material fact or omits to state a material fact required therein or necessary to make a statement contained therein not misleading in the light of the circumstances in which it was made, an interested person or the Director may apply to a court and the court may make any order it thinks fit including, without limiting the generality of the foregoing:

- (a) an order restraining the solicitation, the holding of the meeting, or any person from implementing or acting upon any resolution passed at the meeting to which the form of proxy, management proxy circular or dissident's proxy circular relates;
- (b) an order requiring correction of any form of proxy or proxy circular and a further solicitation;
- (c) an order adjourning the meeting.

Notice to Director

(2) An applicant under this section shall give to the Director notice of the application and the Director is entitled to appear and to be heard in person or by counsel.

1976-77, c.10, s.148; R.S.S. 1978, c.B-10, s.148.

DIVISION XIII – FINANCIAL DISCLOSURE

Annual financial statements

149(1) Subject to section 150, the directors of a corporation shall place before the shareholders at every annual meeting:

- (a) comparative financial statements as prescribed relating separately to:
 - (i) the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting; and
 - (ii) the immediately preceding financial year;

- (b) the report of the auditor, if any; and
- (c) any further information respecting the financial position of the corporation and the results of its operations required by the articles, the bylaws or any unanimous shareholder agreement.

Exception

(2) Notwithstanding clause (a) of subsection (1), the financial statements referred to in subclause (ii) of clause (a) of subsection (1) may be omitted if the reason for the omission is set out in the financial statements, or in a note thereto, to be placed before the shareholders at an annual meeting.

1976-77, c.10, s.149; R.S.S. 1978, c.B-10, s.149.

Exemption

150 Upon the application of a corporation for authorization to omit from its financial statements any item prescribed, or to dispense with the publication of any particular financial statement prescribed, the Director may, if he reasonably believes that disclosure of the information therein contained would be detrimental to the corporation, permit such omission on such reasonable conditions as he thinks fit.

1976-77, c.10, s.150; R.S.S. 1978, c.B-10, s.150.

Consolidated statements

151(1) A holding corporation may prepare the financial statements referred to in section 149 in consolidated or combined form as prescribed, and in any case the corporation shall keep at its registered office copies of the financial statements of each subsidiary body corporate.

Examination

(2) Shareholders of a corporation and their agents and legal representatives may upon request therefor examine the statements referred to in subsection (1) during the usual business hours of the corporation and may make extracts therefrom free of charge.

Barring examination

(3) A corporation may, within fifteen days of a request to examine under subsection (2), apply to a court for an order barring the right of any person to so examine, and the court may, if it is satisfied that such examination would be detrimental to the corporation or a subsidiary body corporate, bar such right and make any further order it thinks fit.

Notice to Director

(4) A corporation shall give the Director and the person asking to examine under subsection (2) notice of an application under subsection (3), and the Director and such person may appear and be heard in person or by counsel.

1976-77, c.10, s.151; R.S.S. 1978, c.B-10, s.151.

Approval of financial statements

152(1) The directors of a corporation shall approve the financial statements referred to in section 149 and the approval shall be evidenced by the signature of one or more directors.

Condition precedent

(2) A corporation shall not issue, publish or circulate copies of the financial statements referred to in section 149 unless the financial statements are:

- (a) approved and signed in accordance with subsection (1); and
- (b) accompanied by the report of the auditor of the corporation, if any.

1976-77, c.10, s.152; R.S.S. 1978, c.B-10, s.152.

Copies to shareholders

153(1) A corporation shall, not less than twenty-one days before each annual meeting of shareholders or before the signing of a resolution under clause (b) of subsection (1) of section 136 in lieu of the annual meeting, send a copy of the documents referred to in section 149 to each shareholder, except to a shareholder who has informed the corporation in writing that he does not want a copy of those documents.

(2) A corporation that, without reasonable cause, fails to comply with subsection (1) is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000.

1976-77, c.10, s.153; R.S.S. 1978, c.B-10, s.153.

Copies to directors

154(1) A corporation:

- (a) any of the securities of which are or were part of a distribution to the public, remain outstanding and are held by more than one person; or
- (b) the gross revenues of which, as shown in the most recent financial statements referred to in section 149, exceed ten million dollars or the assets of which as shown in those financial statements exceed five million dollars;

shall, not less than twenty-one days before each annual meeting of shareholders or forthwith after the signing of a resolution under clause (b) of subsection (1) of section 136 in lieu of the annual meeting, and in any event not later than fifteen months after the last date when the last preceding annual meeting should have been held or a resolution in lieu of the meeting should have been signed, send a copy of the documents referred to in section 149 to the Director.

Affiliates

(2) For the purposes of clause (b) of subsection (1), the gross revenues and assets of the corporation include the gross revenues and assets of its affiliates.

Exemption

(3) Upon the application of a corporation, the Director may exempt the corporation from the application of subsection (2) in such circumstances as may be prescribed.

Further disclosure

(4) If a corporation referred to in subsection (1):

- (a) sends to its shareholders; or
- (b) is required to file with or send to a public authority or a recognized stock exchange;

interim financial statements or related documents, the corporation shall forthwith send copies thereof to the Director.

Subsidiary corporation exemption

- (5) A subsidiary corporation is not required to comply with this section if:
- (a) the financial statements of its holding corporation are in consolidated or combined form and include the accounts of the subsidiary; and
 - (b) the consolidated or combined financial statements of the holding corporation are included in the documents sent to the Director by the holding corporation in compliance with this section.

Offence

- (6) A corporation that fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000.

Coming into force

- (7) Clause (b) of subsection (1) and subsections (2), (3) and (5) come into force on a day or days to be fixed by proclamation of the Lieutenant Governor.

1976-77, c.10, s.154; R.S.S. 1978, c.B-10, s.154.

Qualification of auditor

- 155(1)** Subject to subsection (5), a person is disqualified from being an auditor of a corporation if he is not independent of the corporation, any of its affiliates, or the directors or officers of any such corporation or its affiliates.

Independence

- (2) For the purposes of this section:
- (a) independence is a question of fact; and
 - (b) a person is deemed not to be independent if he or his business partner:
 - (i) is a business partner, a director, an officer or an employee of the corporation or of any of its affiliates, or a business partner of any director, officer or employee of any such corporation or its affiliates;
 - (ii) beneficially owns or controls, directly or indirectly, a material interest in the securities of the corporation or any of its affiliates; or
 - (iii) has been a receiver, receiver-manager, liquidator or trustee in bankruptcy of the corporation or any of its affiliates within two years of his proposed appointment as auditor of the corporation.

Duty to resign

- (3) An auditor who becomes disqualified under this section shall, subject to subsection (5), resign forthwith after becoming aware of his disqualification.

Disqualification order

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

Exemption order

- (5) An interested person may apply to a court for an order exempting an auditor from disqualification under this section and the court may, if it is satisfied that an exemption would not unfairly prejudice the shareholders, make an exemption order on such terms as it thinks fit, which order may have retrospective effect.

1976-77, c.10, s.155; R.S.S. 1978, c.B-10, s.155.

Appointment of auditor

156(1) Subject to section 157, shareholders of a corporation shall by ordinary resolution, at the first annual meeting of shareholders and at each succeeding annual meeting, appoint an auditor to hold office until the close of the next annual meeting.

Eligibility

(2) An auditor appointed under section 99 is eligible for appointment under subsection (1).

Incumbent auditor

(3) Notwithstanding subsection (1), if an auditor is not appointed at a meeting of shareholders, the incumbent auditor continues in office until his successor is appointed.

Remuneration

(4) The remuneration of an auditor may be fixed by ordinary resolution of the shareholders or, if not so fixed, may be fixed by the directors.

1976-77, c.10, s.156; R.S.S. 1978, c.B-10, s.156.

Dispensing with auditor

157(1) The shareholders of a corporation that is not required to comply with section 154 may resolve not to appoint an auditor.

Limitation

(2) A resolution under subsection (1) is valid only until the next succeeding annual meeting of shareholders.

Unanimous consent

(3) A resolution under subsection (1) is not valid unless it is consented to by all the shareholders, including shareholders not otherwise entitled to vote.

Exemption

(4) Upon the application of a corporation that is a wholly owned subsidiary of a holding body corporate, the Director may exempt the corporation from appointing an auditor in such circumstances as may be prescribed.

1976-77, c.10, s.157; R.S.S. 1978, c.B-10, s.157.

Ceasing to hold office

158(1) An auditor of a corporation ceases to hold office when:

- (a) he dies or resigns; or
- (b) he is removed pursuant to section 159.

Effective date of resignation

(2) A resignation of an auditor becomes effective at the time a written resignation is sent to the corporation, or at the time specified in the resignation, whichever is later.

1976-77, c.10, s.158; R.S.S. 1978, c.B-10, s.158.

Removal of auditor

159(1) The shareholders of a corporation may by ordinary resolution at a special meeting remove from office the auditor other than an auditor appointed by a court under section 161.

Vacancy

(2) A vacancy created by the removal of an auditor may be filled at the meeting at which the auditor is removed or, if not so filled, may be filled under section 160.

1976-77, c.10, s.159; R.S.S. 1978, c.B-10, s.159.

Filling vacancy

160(1) Subject to subsection (3), the directors shall forthwith fill a vacancy in the office of auditor.

Effective date of resignation

(2) If there is not a quorum of directors, the directors then in office shall, within twenty-one days after a vacancy in the office of auditor occurs, call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors, the meeting may be called by any shareholder.

Shareholders filling vacancies

(3) The articles of a corporation may provide that a vacancy in the office of auditor shall only be filled by vote of the shareholders.

Unexpired term

(4) An auditor appointed to fill a vacancy holds office for the unexpired term of his predecessor.

1976-77, c.10, s.160; R.S.S. 1978, c.B-10, s.160.

Court appointed auditor

161(1) If a corporation does not have an auditor, the court may, upon the application of a shareholder or the Director, appoint and fix the remuneration of an auditor who holds office until an auditor is appointed by the shareholders.

Exception

(2) Subsection (1) does not apply if the shareholders have resolved under section 157 not to appoint an auditor.

1976-77, c.10, s.161; R.S.S. 1978, c.B-10, s.161.

Right to attend meeting

162(1) The auditor of a corporation is entitled to receive notice of every meeting of shareholders and, at the expense of the corporation, to attend and be heard thereat on matters relating to his duties as auditor.

Duty to attend

(2) If a director or shareholder of a corporation, whether or not the shareholder is entitled to vote at the meeting, gives written notice not less than ten days before a meeting of shareholders to the auditor or a former auditor of the corporation, the auditor or former auditor shall attend the meeting at the expense of the corporation and answer questions relating to his duties as auditor.

Notice to incorporate

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

Offence

(4) An auditor or former auditor of a corporation who fails without reasonable cause to comply with subsection (2) is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

Statement of auditor

- (5) An auditor who:
- (a) resigns;
 - (b) receives a notice or otherwise learns of a meeting of shareholders called for the purpose of removing him from office;
 - (c) receives a notice or otherwise learns of a meeting of directors or shareholders at which another person is to be appointed to fill the office of auditor, whether because of the resignation or removal of the incumbent auditor or because his term of office has expired or is about to expire; or
 - (d) receives a notice or otherwise learns of a meeting of shareholders at which a resolution referred to in section 157 is to be proposed;

is entitled to submit to the corporation a written statement giving the reasons for his resignation or the reasons why he opposes any proposed action or resolution.

Circulating statement

- (6) The corporation shall forthwith send a copy of the statement referred to in subsection (5) to every shareholder entitled to receive notice of any meeting referred to in subsection (1) and to the Director unless the statement is included in or attached to a management proxy circular required by section 144.

Replacing auditor

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

Exception

- (8) Notwithstanding subsection (7), a person otherwise qualified may accept appointment or consent to be appointed as auditor of a corporation if, within fifteen days after making the request referred to in that subsection, he does not receive a reply.

Effect of non-compliance

- (9) Unless subsection (8) applies, an appointment as auditor of a corporation of a person who has not complied with subsection (7) is void.

1976-77, c.10, s.162; R.S.S. 1978, c.B-10, s.162.

Examination

- 163**(1) An auditor of a corporation shall make the examination that is in his opinion necessary to enable him to report in the prescribed manner on the financial statements required by this Act to be placed before the shareholders, except such financial statements or part thereof that relate to the period referred to in subclause (b) of clause (a) of subsection (1) of section 149.

Reliance on other auditor

- (2) Notwithstanding section 164, an auditor of a corporation may reasonably rely upon the report of an auditor of a body corporate or unincorporated business the accounts of which are included in whole or in part in the financial statements of the corporation.

Reasonableness

(3) For the purpose of subsection (2), reasonableness is a question of fact.

Application

(4) Subsection (2) applies whether or not the financial statements of the holding corporation reported upon by the auditor are in consolidated form.

1976-77, c.10, s.163; R.S.S. 1978, c.B-10, s.163.

Right to information

164(1) Upon the demand of an auditor of a corporation, the present or former directors, officers, employees or agents of the corporation shall furnish such:

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

as are, in the opinion of the auditor, necessary to enable him to make the examination and report required under section 163 and that the directors, officers, employees or agents are reasonably able to furnish.

(2) Upon the demand of the auditor of a corporation, the directors of the corporation shall obtain from the present or former directors, officers, employees or agents of any subsidiary of the corporation and shall furnish to the auditor the information and explanations that the directors, officers, employees and agents are reasonably able to furnish and that are, in the opinion of the auditor, necessary to enable him to make the examination and report required under section 163.

1976-77, c.10, s.164; R.S.S. 1978, c.B-10, s.164.

Audit committee

165(1) Subject to subsection (2), a distributing corporation shall, and any other corporation may, have an audit committee composed of not less than three directors of the corporation, a majority of whom are not officers or employees of the corporation or any of its affiliates.

Exemption

(2) Upon the application of a corporation for authorization to dispense with an audit committee, the Director may, if he is satisfied that the shareholders will not be prejudiced by such an authorization, permit the corporation to dispense with an audit committee on such reasonable conditions as he thinks fit.

Duty of committee

(3) An audit committee shall review the financial statements of the corporation before such financial statements are approved under section 152.

Auditor's attendance

(4) The auditor of a corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor.

Calling meeting

(5) The auditor of a corporation or a member of the audit committee may call a meeting of the committee.

Notice of errors

(6) A director or an officer of a corporation shall forthwith notify the audit committee and the auditor of any error or misstatement of which he becomes aware in a financial statement that the auditor or a former auditor has reported upon.

Error in financial statements

(7) If the auditor or former auditor of a corporation is notified or becomes aware of an error or misstatement in a financial statement upon which he has reported, and if in his opinion the error or misstatement is material, he shall inform each director accordingly.

Duty of directors

(8) When under subsection (7) the auditor or former auditor informs the directors, or when the directors otherwise have knowledge of an error or misstatement in a financial statement, the directors shall:

- (a) prepare and issue revised financial statements; or
- (b) otherwise inform the shareholders and, if the corporation is one that is required to comply with section 154, it shall inform the Director of the error or misstatement in the same manner as it informs the shareholders.

Offence

(9) Every director or officer of a corporation who knowingly fails to comply with subsection (6) or (8) is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.165; R.S.S. 1978, c.B-10, s.165.

Qualified privilege, defamation

166 An auditor is not liable to any person in an action for defamation based on any act done or not done or any statement made by him in good faith in connection with any matter he is authorized or required to do under this Act.

1976-77, c.10, s.166; R.S.S. 1978, c.B-10, s.166.

DIVISION XIV – FUNDAMENTAL CHANGES

Amendment of articles

167(1) Subject to sections 170 and 171, the articles of a corporation may by special resolution be amended to:

- (a) change its name;
- (b) change the municipality in which its registered office is situated;
- (c) add, change or remove any restriction upon the business or businesses that the corporation may carry on;
- (d) change any maximum number of shares that the corporation is authorized to issue;
- (e) create new classes of shares;
- (f) change the designation of all or any of its shares, and add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued;

- (g) change the shares of any class or series, whether issued or unissued, into a different number of shares of the same class or series or into the same or a different number of shares of other classes or series;
- (h) divide a class of shares, whether issued or unissued, into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof;
- (i) authorize the directors to divide any class of unissued shares into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof;
- (j) authorize the directors to change the rights, privileges, restrictions and conditions attached to unissued shares of any series;
- (k) revoke, diminish or enlarge any authority conferred under clauses (i) and (j);
- (l) increase or decrease the number of directors or the minimum or maximum number of directors, subject to sections 102 and 107;
- (m) add, change or remove restrictions on the transfer of shares; or
- (n) add, change or remove any other provision that is permitted by this Act to be set out in the articles.

Termination

(2) The directors of a corporation may, if authorized by the shareholders in the special resolution effecting an amendment under this section, revoke the resolution before it is acted upon without further approval of the shareholders.

Amendment of restriction on directors' powers

(3) A provision in the articles that restricts in whole or in part the powers of the directors to manage the business and affairs of a corporation may be amended only with the consent of all the shareholders.

Amendment of number name

(4) Where a corporation has a designating number as a name, the directors may amend the articles of the corporation to change its name.

1976-77, c.10, s.167; R.S.S. 1978, c.B-10, s.167.

Constraints on share transfers

168(1) Subject to sections 170 and 171, a corporation any of the issued shares of which are or were part of a distribution to the public may by special resolution amend its articles to constrain the issue or transfer of its shares in accordance with the regulations for any purpose and, in particular, for the purpose of enabling the corporation or any of its affiliates to qualify under any law of Canada or of any province of Canada:

- (a) to obtain a licence to carry on any business;
- (b) to become a publisher of a Canadian newspaper or periodical; or
- (c) to acquire shares of a financial intermediary as defined in the regulations.

Five-year limit

(2) Where a corporation has passed a resolution under subsection (1) amending its articles to constrain the issue or transfer of its shares for any purpose other than the purposes set out in clauses (a) to (c) of subsection (1), the amendment ceases to have effect five years after the date the resolution is passed unless the corporation before the termination of that five-year period:

- (a) decides by special resolution to extend the constraint provision for a further period not exceeding five years; and
- (b) sends a copy of the resolution to the Director certified in accordance with section 251.

Removal of constraint

(3) A corporation referred to in subsection (1) may by special resolution amend its articles to remove any constraint on the issue or transfer of its shares.

Termination

(4) The directors of a corporation may, if authorized by the shareholders in the special resolution effecting an amendment under subsection (1), revoke the resolution before it is acted upon without further approval of the shareholders.

Regulations

(5) The Lieutenant Governor in Council may make regulations with respect to a corporation that constrains the issue or transfer of its shares prescribing:

- (a) the disclosure required of the constraints in documents issued or published by the corporation;
- (b) the duties and powers of the directors to refuse to issue or register transfers of shares in accordance with the articles of the corporation;
- (c) the limitations on voting rights of any shares held contrary to the articles of the corporation;
- (d) the powers of the directors to require disclosure of beneficial ownership of shares of the corporation and the right of the corporation, its directors, employees and agents to become immune from liability by relying on such disclosure; and
- (e) the rights of any person owning shares of the corporation at the time of an amendment to its articles constraining share issues or transfers.

Validity of acts

(6) An issue or a transfer of a share or an act of a corporation is valid notwithstanding any failure to comply with this section or the regulations.

1976-77, c.10, s.168; R.S.S. 1978, c.B-10, s.168.

Proposal to amend

169(1) Subject to subsection (2), a director or a shareholder who is entitled to a vote at an annual meeting of shareholders may in accordance with section 131 make a proposal to amend the articles.

Notice of amendment

(2) Notice of a meeting of shareholders at which a proposal to amend the articles is to be considered shall set out the proposed amendment and, where applicable, shall state that a dissenting shareholder is entitled to be paid the fair value of his shares in accordance with section 184, but failure to make that statement does not invalidate an amendment.

1976-77, c.10, s.169; R.S.S. 1978, c.B-10, s.169.

Class vote

170(1) The holders of shares of a class or, subject to subsection (2), of a series are entitled to vote separately as a class or series upon a proposal to amend the articles to:

- (a) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class;
- (b) effect an exchange, reclassification or cancellation of all or part of the shares of such class;
- (c) add, change or remove the rights, privileges, restrictions or conditions attached to the shares of such class and, without limiting the generality of the foregoing:
 - (i) remove or change prejudicially rights to accrued dividends or rights to cumulative dividends;
 - (ii) add, remove or change prejudicially redemption rights;
 - (iii) reduce or remove a dividend preference or a liquidation preference;
or
 - (iv) add, remove or change prejudicially conversion privileges, options, voting, transfer or preemptive rights, or rights to acquire securities of a corporation, or sinking fund provisions;
- (d) increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of such class;
- (e) create a new class of shares equal or superior to the shares of such class;
- (f) make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of such class;
- (g) effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class; or
- (h) constrain the issue or transfer of the shares of such class or extend or remove such constraint.

Limitation

(2) The holders of a series of shares of a class are entitled to vote separately as a series under subsection (1) only if such series is affected by an amendment in a manner different from other shares of the same class.

Right to vote

(3) Subsection (1) applies whether or not shares of a class or series otherwise carry the right to vote.

Seperate resolutions

(4) A proposed amendment to the articles referred to in subsection (1) is adopted when the holders of the shares of each class or series entitled to vote separately thereon as a class or series have approved such amendment by a special resolution.

Delivery of articles

171(1) Subject to any revocation under subsection (2) of section 167 or subsection (4) of section 168, after an amendment has been adopted under section 167, 168 or 170 articles of amendment in prescribed form shall be sent to the Director.

Reduction of stated capital

(2) If an amendment effects or requires a reduction of stated capital, subsections (3) and (4) of section 36 apply.

1976-77, c.10, s.171; R.S.S. 1978, c.B-10, s.171.

Certificate of amendment

172 Upon receipt of articles of amendment, the Director shall issue a certificate of amendment in accordance with section 255.

1976-77, c.10, s.172; R.S.S. 1978, c.B-10, s.172.

Effect of certificate

173(1) An amendment becomes effective on the date shown in the certificate of amendment and the articles are amended accordingly.

Rights reserved

(2) No amendment to the articles affects an existing cause of action or claim or liability to prosecution in favour of or against the corporation or its directors or officers, or any civil, criminal or administrative action or proceeding to which a corporation or its directors or officers is a party.

1976-77, c.10, s.173; R.S.S. 1978, c.B-10, s.173.

Restated articles

174(1) The directors may at any time, and shall when reasonably so directed by the Director, restate the articles of incorporation as amended.

Delivery of articles

(2) Restated articles of incorporation in prescribed form shall be sent to the Director.

Restated certificate

(3) Upon receipt of restated articles of incorporation, the Director shall issue a restated certificate of incorporation in accordance with section 255.

Effect of certificate

(4) Restated articles of incorporation are effective on the date shown in the restated certificate of incorporation and supersede the original articles of incorporation and all amendments thereto.

1976-77, c.10, s.174; R.S.S. 1978, c.B-10, s.174.

Amalgamation

175 Two or more corporations, including holding and subsidiary corporations, may amalgamate and continue as one corporation.

1976-77, c.10, s.175; R.S.S. 1978, c.B-10, s.175.

Amalgamation agreement

176(1) Each corporation proposing to amalgamate shall enter into an agreement setting out the terms and means of effecting the amalgamation and, in particular, setting out:

- (a) the provisions that are required to be included in articles of incorporation under section 6;
- (b) the name and address of each proposed director of the amalgamated corporation;
- (c) the manner in which the shares of each amalgamating corporation are to be converted into shares or other securities of the amalgamated corporation;
- (d) 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 of such shares are to receive instead of securities of the amalgamated corporation;
- (e) 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;
- (f) whether the bylaws of the amalgamated corporation are to be those of one of the amalgamating corporations and, if not, a copy of the proposed bylaws; and
- (g) details of any arrangements necessary to perfect the amalgamation and to provide for the subsequent management and operation of the amalgamated corporation.

Cancellation

(2) If shares of one of the amalgamating corporations are held by or on behalf of another of the amalgamating corporations, the amalgamation agreement shall provide for the cancellation of such shares when the amalgamation becomes effective without any repayment of capital in respect thereof, and no provision shall be made in the agreement for the conversion of such shares into shares of the amalgamated corporation.

1976-77, c.10, s.176; R.S.S. 1978, c.B-10, s.176.

Shareholder approval

177(1) The directors of each amalgamating corporation shall submit the amalgamation agreement for approval to a meeting of the holders of shares of the amalgamating corporation of which they are directors and, subject to subsection (4), to the holders of each class or series of such shares.

Notice of meeting

(2) A notice of a meeting of shareholders complying with section 129 shall be sent in accordance with that section to each shareholder of each amalgamating corporation, and shall:

- (a) include or be accompanied by a copy or summary of the amalgamation agreement; and
- (b) state that a dissenting shareholder is entitled to be paid a fair value of his shares in accordance with section 184, but failure to make that statement does not invalidate an amalgamation.

Right to vote

(3) Each share of an amalgamating corporation carries the right to vote in respect of an amalgamation whether or not it otherwise carries the right to vote.

Class vote

(4) The holders of shares of a class or series of shares of an amalgamating corporation are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such holders to vote as a class or series under section 170.

Shareholder approval

(5) 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 such shareholders entitled to vote thereon.

Termination

(6) An amalgamation agreement may provide that at any time before the issue of a certificate of amalgamation the agreement may be terminated by the directors of an amalgamating corporation, notwithstanding approval of the agreement by the shareholders of all or any of the amalgamating corporations.

1976-77, c.10, s.177; R.S.S. 1978, c.B-10, s.177.

Vertical short-form amalgamation

178(1) A holding corporation and one or more of its wholly owned subsidiary corporations may amalgamate and continue as one corporation without complying with sections 176 and 177 if:

- (a) the amalgamation is approved by a resolution of the directors of each amalgamating corporation; and
- (b) the resolutions provide that:
 - (i) the shares of each amalgamating subsidiary corporation shall be cancelled without any repayment of capital in respect thereof;
 - (ii) the articles of amalgamation shall be the same as the articles of incorporation of the amalgamating holding corporation; and
 - (iii) no securities shall be issued by the amalgamated corporation in connection with the amalgamation.

Horizontal short-form amalgamation

(2) Two or more wholly-owned subsidiary corporations of the same holding body corporate may amalgamate and continue as one corporation without complying with sections 176 and 177 if:

- (a) the amalgamation is approved by a resolution of the directors of each amalgamating corporation; and
- (b) the resolutions provide that:
 - (i) the shares of all but one of the amalgamating subsidiary corporations shall be cancelled without any repayment of capital in respect thereof;

(ii) the articles of amalgamation shall be the same as the articles of incorporation of the amalgamating subsidiary corporation whose shares are not cancelled; and

(iii) the stated capital of the amalgamating subsidiary corporations whose shares are cancelled shall be added to the stated capital of the amalgamating subsidiary corporation whose shares are not cancelled.

1976-77, c. 10, s. 178; R.S.S. 1978, c.B-10, s.178.

Sending of articles

179(1) Subject to subsection (6) of section 177, after an amalgamation has been adopted under section 177 or approved under section 178, articles of amalgamation in prescribed form shall be sent to the Director together with the documents required by sections 19 and 101.

Attached declarations

(2) The articles of amalgamation shall have attached thereto a statutory declaration of a director or an officer of each amalgamating corporation that establishes to the satisfaction of the Director that:

- (a) there are reasonable grounds for believing that:
 - (i) each amalgamating corporation is and the amalgamated corporation will be able to pay its liabilities as they become due; and
 - (ii) the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and
- (b) there are reasonable grounds for believing that:
 - (i) no creditor will be prejudiced by the amalgamation; or
 - (ii) adequate notice has been given to all known creditors of the amalgamating corporations and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious.

Adequate notice

- (3) For the purposes of subsection (2), adequate notice is given if:
- (a) a notice in writing is sent to each known creditor having a claim against the corporation that exceeds \$1,000;
 - (b) a notice is published once in a newspaper published or distributed in the place where the corporation has its registered office and reasonable notice thereof is given in each province in Canada where the corporation carries on business; and
 - (c) each notice states that the corporation intends to amalgamate with one or more specified corporations in accordance with this Act and that a creditor of the corporation may object to the amalgamation within thirty days from the date of the notice.

Certificate of amalgamation

(4) Upon receipt of articles of amalgamation, the Director shall issue a certificate of amalgamation in accordance with section 255.

1976-77, c.10, s.179; R.S.S. 1978, c.B-10, s.179.

Effect of certificate

180 On the date shown in a certificate of amalgamation:

- (a) the amalgamation of the amalgamating corporations and their continuance as one corporation become effective;
- (b) the property of each amalgamating corporation continues to be the property of the amalgamated corporation;
- (c) the amalgamated corporation continues to be liable for the obligations of each amalgamating corporation;
- (d) an existing cause of action, claim or liability to prosecution is unaffected;
- (e) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against the amalgamated corporation;
- (f) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against the amalgamated corporation; and
- (g) the articles of amalgamation are deemed to be the articles of incorporation of the amalgamated corporation and, except for the purposes of subsection (1) of section 99, the certificate of amalgamation is deemed to be the certificate of incorporation of the amalgamated corporation.

1976-77, c.10, s.180; R.S.S. 1978, c.B-10, s.180.

Continuance in Saskatchewan

181(1) A body corporate incorporated:

- (a) otherwise than by or under an Act of the Legislature may, if so authorized by the laws of the jurisdiction where it is incorporated;
- (b) by or under an Act of the Legislature or an ordinance of the North-west Territories that by section 16 of *The Saskatchewan Act* is subject to the legislative authority of Saskatchewan may, if so authorized by a resolution under clause (a) of subsection (1) of section 258;

apply to the Director for a certificate of continuance.

Contents of articles of continuance

(2) Articles of continuance may, without so stating in the articles, effect any amendment to the Act of incorporation, articles, letters patent or memorandum or articles of association of a body corporate that applies for continuance under subsection (1) if the amendment:

- (a) is authorized in accordance with the law applicable to the body corporate before continuance; and
- (b) is an amendment a corporation incorporated under this Act may make to its articles.

Articles of continuance

(3) Articles of continuance in prescribed form shall be sent to the Director together with the documents required by sections 19 and 101.

Certificate of continuance

(4) Upon receipt of articles of continuance, the Director may issue a certificate of continuance in accordance with section 255.

Effect of certificate

- (5) On the date shown in the certificate of continuance:
- (a) the body corporate becomes a corporation to which this Act applies as if it had been incorporated under this Act;
 - (b) the articles of continuance are deemed to be the articles of incorporation of the continued corporation; and
 - (c) except for the purposes of subsection (1) of section 99, the certificate of continuance is deemed to be the certificate of incorporation of the continued corporation.

Copy of certificate

- (6) In the case of a body corporate referred to in clause (a) of subsection (1), the Director shall forthwith send a copy of the certificate of continuance to the appropriate official or public body in the jurisdiction in which continuance under this Act was authorized.

Rights preserved

- (7) When a body corporate is continued as a corporation under this Act:
- (a) the property of the body corporate continues to be the property of the corporation;
 - (b) the corporation continues to be liable for the obligations of the body corporate;
 - (c) an existing cause of action, claim or liability to prosecution is unaffected;
 - (d) a civil, criminal or administrative action or proceeding pending by or against the body corporate may be continued to be prosecuted by or against the corporation; and
 - (e) a conviction against, or ruling, order or judgment in favour of or against, the body corporate may be enforced by or against the corporation.

Issued shares

- (8) Subject to subsection (9) of section 45, a share of a body corporate issued before the body corporate was continued under this Act is deemed to have been issued in compliance with this Act and with the provisions of the articles of continuance irrespective of whether the share is fully paid and irrespective of any designation, rights, privileges, restrictions or conditions set out on or referred to in the certificate representing the share; and continuance under this section does not deprive a holder of any right or privilege that he claims under, or relieve him of any liability in respect of, an issued share.

Exception in case of convertible shares

- (9) Where a corporation continued under this Act had, before it was so continued, issued a share certificate in registered form that is convertible to bearer form, the corporation may, if a holder of such a share certificate exercises the conversion privilege attached thereto, issue a share certificate in bearer form for the same number of shares to the holder.

Interpretation, "share"

- (10) For the purposes of subsection (8) and (9), "**share**" includes an instrument referred to in subsection (a) of section 29, a share warrant or a like instrument.

Continuance outside of Saskatchewan

182(1) Subject to subsections (2) and (9), a corporation may, if it is authorized by the shareholders in accordance with this section, and if it establishes to the satisfaction of the Director that its proposed continuance in another jurisdiction will not adversely affect creditors or shareholders of the corporation, apply to the appropriate official or public body of another jurisdiction requesting that the corporation be continued as if it had been incorporated under the laws of that other jurisdiction.

Continuance of corporation prescribed in regulations

(2) A corporation of a class prescribed by the regulations shall not apply for continuance in another jurisdiction without the prior consent of the Minister.

Notice of meeting

(3) A notice of a meeting of shareholders complying with section 129 shall be sent in accordance with that section to each shareholder and shall state that a dissenting shareholder is entitled to be paid the fair value of his shares in accordance with section 184, but failure to make that statement does not invalidate a discontinuance under this Act.

Right to vote

(4) 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.

Shareholder approval

(5) An application for continuance becomes authorized when the shareholders voting thereon have approved of the continuance by a special resolution.

Termination

(6) The directors of a corporation may, if authorized by the shareholders at the time of approving an application for continuance under this section, abandon the application without further approval of the shareholders.

Discontinuance

(7) Upon receipt of notice satisfactory to him that the corporation has been continued under the laws of another jurisdiction, the Director shall file the notice and issue a certificate of discontinuance in accordance with section 255.

Rights preserved

(8) This Part ceases to apply to the corporation on the date shown in the certificate of discontinuance.

Prohibition

(9) A corporation shall not be continued as a body corporate under the laws of another jurisdiction unless those laws provide in effect that:

- (a) the property of the corporation continues to be the property of the body corporate;
- (b) the body corporate continues to be liable for the obligations of the corporation;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a civil, criminal or administrative action or proceeding pending by or against the corporation may be continued to be prosecuted by or against the body corporate; and
- (e) a conviction against, or ruling, order or judgement in favour of or against, the corporation may be enforced by or against the body corporate.

Borrowing powers

183(1) Subject to the articles, the bylaws or any unanimous shareholder agreement, directors of a corporation may without authorization of the shareholders:

- (a) borrow money upon the credit of the corporation;
- (b) issue, reissue, sell or pledge debt obligations of the corporation;
- (c) subject to section 42, give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation.

Extraordinary sale, lease or exchange

(2) A sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of business of the corporation requires the approval of the shareholders in accordance with subsections (3) to (7).

Notice of meeting

(3) A notice of meeting of shareholders complying with section 129 shall be sent in accordance with that section to each shareholder and shall:

- (a) include or be accompanied by a copy or summary of the agreement of sale, lease or exchange; and
- (b) state that a dissenting shareholder is entitled to be paid the fair value of his shares in accordance with section 184, but failure to make that statement does not invalidate a sale, lease or exchange referred to in subsection (2).

Shareholder approval

(4) At the meeting referred to in subsection (3) the shareholders may authorize the sale, lease or exchange and may fix or authorize the directors to fix any of the terms and conditions thereof.

Right to vote

(5) Each share of the corporation carries the right to vote in respect of a sale, lease or exchange referred to in subsection (2) whether or not it otherwise carries the right to vote.

Class vote

(6) The holders of shares of a class or series of shares of the corporation are entitled to vote separately as a class or series in respect of a sale, lease or exchange referred to in subsection (2) only if such class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Shareholder approval

(7) A sale, lease or exchange referred to in subsection (2) is adopted when the holders of each class or series entitled to vote thereon have approved of the sale, lease or exchange by a special resolution.

Termination

(8) The directors of a corporation may, if authorized by the shareholders approving a proposed sale, lease or exchange, and subject to the rights of third parties, abandon the sale, lease or exchange without further approval of the shareholders.

Delegation of powers mentioned in subsection (1)

(9) Notwithstanding subsection (3) of section 110 and clause (a) of section 116, unless the articles or bylaws of, or a unanimous shareholder agreement relating to, a corporation otherwise provide, the directors may by resolution delegate the powers mentioned in subsection (1) to a director, a committee of directors, or an officer.

Right to dissent

184(1) Subject to sections 185 and 234, a holder of shares of any class of a corporation may dissent if the corporation resolves to:

- (a) amend its articles under section 167 or 168 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class;
- (b) amend its articles under section 167 to add, change or remove any restriction upon the business or businesses that the corporation may carry on;
- (c) amalgamate with another corporation, otherwise than under section 178;
- (d) be continued under the laws of another jurisdiction under section 182; or
- (e) sell, lease or exchange all or substantially all its property under subsection (2) of section 183.

Further right

(2) The articles of a corporation may provide that a holder of any class or series of shares of a corporation, except a holder of shares of a distributing corporation, who is entitled to vote under section 170 may dissent if the corporation resolves to amend its articles in a manner described in that section.

Payment for shares

(3) In addition to any other right he may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which he dissents becomes effective, to be paid by the corporation the fair value of the shares held by him in respect of which he dissents, determined as of the close of business on the day before the resolution was adopted.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by him on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of his right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn his objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after he receives a notice under subsection (6) or, if he does not receive such notice, within twenty days after he learns that the resolution has been adopted, send to the corporation a written notice containing:

- (a) his name and address;
- (b) the number and class of shares in respect of which he dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which he dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) After sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his shares as determined under this section except where:

- (a) the dissenting shareholder withdraws his notice before the corporation makes an offer under subsection (12);
- (b) the corporation fails to make an offer in accordance with subsection (12) and the dissenting shareholder withdraws his notice; or
- (c) where the directors revoke a resolution to amend the articles under subsection (2) of section 167 or subsection (4) of section 168, terminate an amalgamation agreement under subsection (6) of section 177 or an application for continuance under subsection (6) of section 182, or abandon a sale, lease or exchange under subsection (8) of section 183;

in which case his rights as a shareholder are reinstated as of the date he sent the notice mentioned in subsection (7).

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice:

- (a) a written offer to pay for his shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation application to court

(15) If a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) Upon an application to a court under subsection (15) or (16):

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

Powers of court

(20) Upon an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of his shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may:

- (a) withdraw his notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to his full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that:

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

1976-77, c.10, s.184; R.S.S. 1978, c.B-10, s.184.

Interpretation, "reorganization"

185(1) In this section, "**reorganization**" means a court order made under:

- (a) section 234;
- (b) the *Bankruptcy Act* (Canada), approving a proposal; or
- (c) any other Act of the Parliament of Canada or any Act of the Legislature that affects the rights among the corporation, its shareholders and creditors.

Powers to court

(2) If a corporation is subject to an order referred to in subsection (1), its articles may be amended by such order to effect any change that might lawfully be made by an amendment under section 167.

Further powers

(3) If a court makes an order referred to in subsection (1), the court may also:

- (a) authorize the issue of debt obligations of the corporation, whether or not convertible into shares of any class or having attached any rights or options to acquire shares of any class, and fix the terms thereof; and
- (b) appoint directors in place of or in addition to all or any of the directors then in office.

Articles of reorganization

(4) After an order referred to in subsection (1) has been made, articles of reorganization in prescribed form shall be sent to the Director together with the documents required by sections 19 and 108, if applicable.

1976-77, c.10, s.185; R.S.S. 1978, c.B-10, s.185.

Certificate of reorganization

186(1) Upon receipt of articles of reorganization, the Director shall issue a certificate of amendment in accordance with section 255.

Effect of certificate

(2) A reorganization becomes effective on the date shown in the certificate of amendment and the articles of incorporation are amended accordingly.

No dissent

(3) A shareholder is not entitled to dissent under section 184 if an amendment to the articles of incorporation is effected under this section.

1976-77, c.10, s.186; R.S.S. 1978, c.B-10, s.186.

DIVISION XV – DISSENTING OFFEREES

Interpretation

187 In this Division:

“dissenting offeree”

(a) **“dissenting offeree”** means, where a take-over is made for all the shares of a class of shares, a holder of a share of that class who does not accept the takeover bid and includes a subsequent holder of that share who acquires it from the first mentioned holder;

“offer”

(b) **“offer”** includes an invitation to make an offer;

“offeree”

(c) **“offeree”** means a person to whom a take-over bid is made;

“offeree corporation”

(d) **“offeree corporation”** means a corporation whose shares are the object of a take-over bid;

“offeror”

(e) **“offeror”** means a person, other than an agent, who makes a take-over bid, and includes two or more persons who, directly or indirectly:

- (i) make take-over bids jointly or in concert; or
- (ii) intend to exercise jointly or in concert voting rights attached to shares for which a take-over bid is made;

“share”

(f) **“share”** means a share with or without voting rights and includes:

- (i) a security currently convertible into such a share; and
- (ii) currently exercisable options and rights to acquire such a share or such a convertible security;

“take-over bid”

(g) **“take-over bid”** means an offer made by an offeror to shareholders to acquire all of the shares of any class of issued shares of an offeree corporation and includes every offer by an issuer to repurchase its own shares.

1976-77, c.10, s.187; R.S.S. 1978, c.B-10, s.187.

Right to acquire shares

188 If within one hundred and twenty days after the date of a take-over bid the bid is accepted by the holders of not less than ninety per cent of the shares of any class of shares to which the take-over bid relates, other than shares held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror, the offeror is entitled, upon complying with this division, to acquire the shares held by the dissenting offerees.

1976-77, c.10, s.188; R.S.S. 1978, c.B-10, s.188.

Notice to dissenting offeree

189 An offeror may acquire shares held by a dissenting offeree by sending by registered mail within sixty days after the date of termination of the take-over bid and in any event within one hundred and eighty days after the date of the take-over bid, an offeror's notice to each dissenting offeree and to the Director stating that:

- (a) the offerees holding more than ninety per cent of the shares to which the bid relates accepted the take-over bid;
- (b) the offeror is bound to take up and pay for or has taken up and paid for the shares of the offerees who accepted the take-over bid;
- (c) a dissenting offeree is required to elect:
 - (i) to transfer his shares to the offeror on the terms on which the offeror acquired the shares of the offerees who accepted the take-over bid; or
 - (ii) to demand payment of the fair value of his shares in accordance with sections 195 to 200 by notifying the offeror within twenty days after he receives the offeror's notice;
- (d) a dissenting offeree who does not notify the offeror in accordance with subclause (ii) or clause (c) is deemed to have elected to transfer his shares to the offeror on the same terms that the offeror acquired the shares from the offerees who accepted the take-over bid; and
- (e) a dissenting offeree must send his shares to which the take-over bid relates to the offeree corporation within twenty days after he receives the offeror's notice.

1976-77, c.10, s.189; R.S.S. 1978, c.B-10, s.189.

Notice of adverse claim

190 Concurrently with sending the offeror's notice under section 189, the offeror shall send to the offeree corporation a notice of adverse claim in accordance with section 73 with respect to each share held by a dissenting offeree.

1976-77, c.10, s.190; R.S.S. 1978, c.B-10, s.190.

Delivery of share certificate

191 A dissenting offeree to whom an offeror's notice is sent under section 189 shall, within twenty days after he receives that notice, send his share certificates of the class of shares to which the take-over bid relates to the offeree corporation.

1976-77, c.10, s.191; R.S.S. 1978, c.B-10, s.191.

Payment for shares

192 Within twenty days after the offeror sends an offeror's notice under section 189, the offeror shall pay or transfer to the offeree corporation the amount of money or other consideration that the offeror would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under subclause (i) of clause (c) of section 189.

1976-77, c.10, s.192; R.S.S. 1978, c.B-10, s.192.

Offeree corporation holds money in trust

193 The offeree corporation is deemed to hold in trust for the dissenting shareholders the money or other consideration it receives under section 192 and the offeree corporation shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation, and shall place the other consideration in the custody of a bank or such other body corporate.

1976-77, c.10, s.193; R.S.S. 1978, c.B-10, s.193.

Duty of offeree corporation

194 Within thirty days after the offeror sends an offeror's notice under section 189, the offeree corporation shall:

- (a) issue to the offeror a share certificate in respect of the shares that were held by dissenting offerees;
- (b) give to each dissenting offeree who elects to accept the take-over bid terms under subclause (i) of clause (c) of section 189 and who sends his share certificates as required under section 191 the money or other consideration to which he is entitled, disregarding fractional shares, which may be paid for in money; and
- (c) send to each dissenting shareholder who has not sent his share certificates as required under section 191 a notice stating that:
 - (i) his shares have been cancelled;
 - (ii) the offeree corporation or some designated person holds in trust for him the money or other consideration to which he is entitled as payment for or in exchange for his shares; and
 - (iii) the offeree corporation will, subject to sections 195 to 200, send that money or other consideration to him forthwith after receiving his shares.

1976-77, c.10, s.194; R.S.S. 1978, c.B-10, s.194.

Application to court to fix fair value

195(1) If a dissenting offeree has elected to demand payment of the fair value of his shares under subclause (ii) of clause (c) of section 189, the offeror may, within twenty days after it has paid the money or transferred the other consideration under section 192, apply to a court to fix the fair value of the shares of that dissenting offeree.

Same

(2) If an offeror fails to apply to a court under subsection (1), a dissenting offeree may apply to a court for the same purpose within a further period of twenty days.

Status of dissenter if no court application

(3) If no application is made to a court under subsection (2) within the time provided for in that subsection, a dissenting offeree is deemed to have elected to transfer his shares to the offeror on the same terms that the offeror acquired the shares from the offerees who accepted the take-over bid.

1976-77, c.10, s.195; R.S.S. 1978, c.B-10, s.195.

Application to court having jurisdiction

196 An application under subsection (1) or (2) of section 195 shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting fiercer resides if the corporation carries on business in that province.

1976-77, c.10, s.196; R.S.S. 1978, c.B-10, s.196.

No security for costs

197 A dissenting offeree is not required to give security for costs in an application made under section 195.

1976-77, c.10, s.197; R.S.S. 1978, c.B-10, s.197.

Dissenting offerees joined as parties

198 Upon an application under section 195:

- (a) all dissenting offerees referred to in subclause (ii) of clause (c) of section 189 whose shares have not been acquired by the offeror shall be joined as parties and are bound by the decision of the court; and
- (b) the offeror shall notify each affected dissenting offeree of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

1976-77, c.10, s.198; R.S.S. 1978, c.B-10, s.198.

Powers to court

199(1) Upon an application to a court under section 195, the court may determine whether any other person is a dissenting offeree who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting offerees.

Appraisers

(2) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of a dissenting offeree.

Final order

(3) The final order of the court shall be made against the offeror in favour of each dissenting offeree and for the amount for his shares as fixed by the court.

1976-77, c.10, s.199; R.S.S. 1978, c.B-10, s.199.

Additional powers to court

200 In connection with proceedings under this Division, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:

- (a) fix the amount of money or other consideration that is required to be held in trust under section 193;
- (b) order that that money or other consideration be held in trust by a person other than the offeree corporation;

(c) allow a reasonable rate of interest on the amount payable to each dissenting offeror from the date he sends or delivers his share certificates under section 191 until the date of payment;

(d) order that any money payable to a shareholder who cannot be found be paid to the Minister of Finance and subsection (3) of section 220 applies in respect thereof.

1976-77, c.10, s.200; R.S.S. 1978, c.B-10, s.200.

DIVISION XVII – LIQUIDATION AND DISSOLUTION

Application of Division

201(1) This Division does not apply to a corporation that is insolvent within the meaning of the *Bankruptcy Act* (Canada) or that is a bankrupt within the meaning of that Act.

Staying proceedings

(2) Any proceedings taken under this Division to dissolve or to liquidate and dissolve a corporation shall be stayed if the corporation is at any time found, in a proceeding under the *Bankruptcy Act* (Canada), to be insolvent within the meaning of that Act.

1976-77, c.10, s.201; R.S.S. 1978, c.B-10, s.201.

Revival

202(1) Where a corporation is dissolved under this Division or section 258, any interested person may apply to the Director to have the corporation revived.

Articles of revival

(2) Articles of revival in prescribed form shall be sent to the Director.

Certificate of revival

(3) Upon receipt of articles of revival, the Director shall issue a certificate of revival in accordance with section 255.

Rights preserved

(4) A corporation is revived on the date shown on the certificate of revival, and thereafter the corporation, subject to such reasonable 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 for the obligations that it would have had if it had not been dissolved.

1976-77, c.10, s.202; R.S.S. 1978, c.B-10, s.202.

Dissolution before commencing business

203(1) A corporation that has not issued any shares may be dissolved at any time by resolution of all the directors.

Dissolution if no property

(2) A corporation that has no property and no liabilities 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.

Articles of dissolution

(3) Articles of dissolution in prescribed form shall be sent to the Director.

Certificate of dissolution

(4) Upon receipt of articles of dissolution, the Director shall issue a certificate of dissolution in accordance with section 255.

Effect of certificate

(5) The corporation ceases to exist on the date shown in the certificate of dissolution.

1976-77, c.10, s.203; R.S.S. 1978, c.B-10, s.203.

Proposing liquidation and dissolution

204(1) 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.

Notice of meeting

(2) Notice of any meeting of shareholders at which voluntary liquidation and dissolution is to be proposed shall set out the terms thereof.

Shareholders' resolution

(3) A corporation may liquidate and dissolve by special resolution of the shareholders or, where the corporation 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.

Statement of intent to dissolve

(4) A statement of intent to dissolve in prescribed form shall be sent to the Director.

Certificate of intent to dissolve

(5) Upon receipt of a statement of intent to dissolve, the Director shall issue a certificate of intent to dissolve in accordance with section 255.

Effect of certificate

(6) Upon issue of a certificate of intent to dissolve, the corporation shall cease to carry on business except to the extent necessary for the liquidation, but its corporate existence continues until the Director issues a certificate of dissolution.

Liquidation

(7) After issue of a certificate of intent to dissolve, the corporation shall:

- (a) immediately cause notice thereof to be sent to each known creditor of the corporation;
- (b) forthwith publish notice thereof in the Gazette and once in a newspaper published or distributed in the place where the corporation has its registered office and take reasonable steps to give notice thereof in every jurisdiction where the corporation was carrying on business at the time it sent the statement of intent to dissolve to the Director;
- (c) proceed to collect its property, to dispose of properties that are not to be distributed in kind to its shareholders, to discharge all its obligations and to do all other acts required to liquidate its business; and
- (d) after giving the notice required under clauses (a) and (b) and adequately providing for the payment or discharge of all its obligations, distribute its remaining property, either in money or in kind, among its shareholders according to their respective rights.

Supervision by court

(8) The Director or any interested person may, at any time during the liquidation of a corporation, apply to a court for an order that the liquidation be continued under the supervision of the court as provided in this Division, and upon such application the court may so order and make any further order it thinks fit.

Notice to Director

(9) An applicant under this section shall give the Director notice of the application, and the Director is entitled to appear and be heard in person or by counsel.

Revocation

(10) 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 statement of revocation of intent to dissolve in prescribed form, if such revocation is approved in the same manner as the resolution under subsection (3).

Certificate of revocation of intent to dissolve

(11) Upon receipt of a statement of revocation of intent to dissolve, the Director shall issue a certificate of revocation of intent to dissolve in accordance with section 255.

Effect of certificate

(12) 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 or businesses.

Right to dissolve

(13) If a certificate of intent to dissolve has not been revoked and the corporation has complied with subsection (7), the corporation shall prepare articles of dissolution.

Articles of dissolution

(14) Articles of dissolution in prescribed form shall be sent to the Director.

Certificate of dissolution

(15) Upon receipt of articles of dissolution, the Director shall issue a certificate of dissolution in accordance with section 255.

Effect of certificate

(16) The corporation ceases to exist on the date shown in the certificate of dissolution.

1976-77, c.10, s.204; R.S.S. 1978, c.B-10, s.204.

Dissolution by Director

205(1) Subject to subsections (2) and (3), where a corporation:

- (a) has not commenced business within three years after the date shown in its certificate of incorporation;
- (b) has not carried on its business for three consecutive years; or
- (c) has not had its name restored to the register within two years after the date on which it was struck off under section 290;

the Director may dissolve the corporation by issuing a certificate of dissolution under this section or he may apply to a court for an order dissolving the corporation, in which case section 210 applies.

Publication

- (2) The Director shall not dissolve a corporation under this section until he has:
- (a) given to the corporation one hundred and twenty days notice of his decision to dissolve the corporation; and
 - (b) published in the Gazette notice of his decision to dissolve the corporation.

Certificate of dissolution

- (3) Unless cause to the contrary has been shown or an order has been made by a court under section 239, the Director may, after expiry of the period referred to in subsection (2), issue a certificate of dissolution in prescribed form.

Effect of certificate

- (4) The corporation ceases to exist on the date shown in the certificate of dissolution.

1976-77, c.10, s.205; R.S.S. 1978, c.B-10, s.205.

Grounds for dissolution

- 206(1)** The Director or any interested person may apply to a court for an order dissolving a corporation if the corporation has:

- (a) failed for two or more consecutive years to comply with the requirements of this Act with respect to the holding of annual meetings of shareholders;
- (b) contravened subsection (2) of section 16 or section 21, 151 or 153; or
- (c) procured any certificate under this Act by misrepresentation.

Notice to director

- (2) An applicant under this section shall give the Director notice of the application, and the Director is entitled to appear and be heard in person or by counsel.

Dissolution order

- (3) Upon an application under this section or section 205, the court may order that the corporation be dissolved or that the corporation be liquidated and dissolved under the supervision of the court, and the court may make any other order it thinks fit.

Certificate

- (4) Upon receipt of an order under this section, section 205 or section 207, the Director shall:
- (a) if the order is to dissolve the corporation, issue a certificate of dissolution in prescribed form; or
 - (b) if the order is to liquidate and dissolve the corporation under the supervision of the court, issue a certificate of intent to dissolve in prescribed form and publish notice of the order in the *Gazette*.

Effect of certificate

- (5) The corporation ceases to exist on the date shown in the certificate of dissolution.

1976-77, c.10, s.206; R.S.S. 1978, c.B-10, s.206.

Further grounds

207(1) A court may order the liquidation and dissolution of a corporation or any of its affiliated corporations upon the application of a shareholder:

- (a) if the court is satisfied that in respect of a corporation or any of its affiliates:
 - (i) any act or omission of the corporation or any of its affiliates effects a result;
 - (ii) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner; or
 - (iii) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner;

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer; or

- (b) if the court is satisfied that:
 - (i) a unanimous shareholder agreement entitles a complaining shareholder to demand dissolution of the corporation after the occurrence of a specified event and that event has occurred; or
 - (ii) it is just and equitable that the corporation should be liquidated and dissolved.

Alternative order

(2) Upon an application under this section, a court may make such order under this section or section 234 as it thinks fit.

Application of section 235

(3) Section 235 applies to an application under this section.

1976-77, c.10, s.207; R.S.S. 1978, c.B-10, s.207.

Application for supervision

208(1) An application to a court to supervise a voluntary liquidation and dissolution under subsection (8) of section 204 shall state the reasons, verified by an affidavit of the applicant, why the court should supervise the liquidation and dissolution.

Court supervision

(2) If a court makes an order applied for under subsection (8) of section 204, the liquidation and dissolution of the corporation shall continue under the supervision of the court in accordance with this Act.

1976-77, c.10, s.208; R.S.S. 1978, c.B-10, s.208.

Application to court

209(1) An application to a court under subsection (1) of section 207 shall state the reasons, verified by an affidavit of the applicant, why the corporation should be liquidated and dissolved.

Show cause order

(2) Upon an application under subsection (1) of section 207, the court may make an order requiring the corporation and any person having an interest in the corporation or claim against it to show cause, at a time and place therein specified, not less than four weeks after the date of the order, why the corporation should not be liquidated and dissolved.

Powers of court

(3) Upon an application under subsection (1) of section 207, the court may order the directors and officers of the corporation to furnish to the court all material information known to or reasonably ascertainable by them, including:

- (a) financial statements of the corporation;
- (b) the name and address of each shareholder of the corporation; and
- (c) the name and address of each known creditor or claimant, including any creditor or claimant with unliquidated, future or contingent claims, and any person with whom the corporation has a contract.

Publication

(4) A copy of an order made under subsection (2) shall be:

- (a) published as directed in the order, at least once in each week before the time appointed for the hearing, in a newspaper published or distributed in the place where the corporation has its registered office; and
- (b) served upon the Director and each person named in the order.

Person responsible

(5) Publication and service of an order under this section shall be effected by the corporation or by such other person and in such manner as the court may order.

1976-77, c.10, s.209; R.S.S. 1978, c.B-10, s.209.

Powers of court

210 In connection with the dissolution or the liquidation and dissolution of a corporation, the court may, if it is satisfied that the corporation is able to pay or adequately provide for the discharge of all its obligations, make any order it thinks fit including, without limiting the generality of the foregoing:

- (a) an order to liquidate;
- (b) an order appointing a liquidator, with or without security, fixing his remuneration and replacing a liquidator;
- (c) an order appointing inspectors or referees, specifying their powers, fixing their remuneration and replacing inspectors or referees;
- (d) an order determining the notice to be given to any interested person, or dispensing with notice to any person;
- (e) an order determining the validity of any claims made against the corporation;
- (f) an order, at any stage of the proceedings, restraining the directors and officers from:
 - (i) exercising any of their powers; or
 - (ii) collecting or receiving any debt or other property of the corporation, and from paying out or transferring any property of the corporation, except as permitted by the court;
- (g) an order determining and enforcing the duty or liability of any present or former director, officer or shareholder:
 - (i) to the corporation; or
 - (ii) for an obligation of the corporation;

- (h) an order approving the payment, satisfaction or compromise of claims against the corporation and the retention of assets for such purpose, and determining the adequacy of provisions for the payment or discharge of obligations of the corporation, whether liquidated, unliquidated, future or contingent;
- (i) an order disposing of or destroying the documents and records of the corporation;
- (j) upon the application of a creditor, the inspectors or the liquidator, an order giving directions on any matter arising in the liquidation;
- (k) after notice has been given to all interested parties, an order relieving a liquidator from any omission or default on such terms as the court thinks fit and confirming any act of the liquidator;
- (l) subject to section 216, an order approving any proposed interim or final distribution to shareholders in money or in property;
- (m) an order disposing of any property belonging to creditors or shareholders who cannot be found;
- (n) upon the application of any director, officer, security holder, creditor or the liquidator:
 - (i) an order staying the liquidation on such terms and conditions as the court thinks fit;
 - (ii) an order continuing or discontinuing the liquidation proceedings; or
 - (iii) an order to the liquidator to restore to the corporation all its remaining property;
- (o) after the liquidator has rendered his final account to the court, an order dissolving the corporation.

1976-77, c.10, s.210; R.S.S. 1978, c.B-10, s.210.

Effect of order

211 The liquidation of a corporation commences when a court makes an order therefor.

1976-77, c.10, s.211; R.S.S. 1978, c.B-10, s.211.

Cessation of business and powers

212(1) If a court makes an order for liquidation of a corporation:

- (a) the corporation continues in existence but shall cease to carry on business, except the business that is, in the opinion of the liquidator, required for an orderly liquidation; and
- (b) the powers of the directors and shareholders cease and vest in the liquidator, except as specifically authorized by the court.

Delegation by liquidator

(2) The liquidator may delegate any of the powers vested in him by clause (b) of subsection (1) to the directors or shareholders.

1976-77, c.10, s.212; R.S.S. 1978, c.B-10, s.212.

Appointment of liquidator

213(1) When making an order for the liquidation of a corporation or at any time thereafter, the court may appoint any body corporate or any person, including a director, officer or shareholder of the corporation, as liquidator of the corporation.

Vacancy

(2) Where an order for the liquidation of a corporation has been made and the office of liquidator is or becomes vacant, the property of the corporation is under the control of the court until the office of liquidator is filled.

1976-77, c.10, s.213; R.S.S. 1978, c.B-10, s.213.

Duties of liquidator

214 A liquidator shall:

- (a) forthwith after his appointment give notice thereof to the Director and to each claimant and creditor known to the liquidator;
- (b) forthwith publish notice in the Gazette and by insertion once a week for two consecutive weeks in a newspaper published or distributed in the place where the corporation has its registered office and take reasonable steps to give notice thereof in every jurisdiction where the corporation carries on business, requiring any person:
 - (i) indebted to the corporation, to render an account and pay to the liquidator at the time and place specified any amount owing;
 - (ii) possessing property of the corporation, to deliver it to the liquidator at the time and place specified; and
 - (iii) having a claim against the corporation, whether liquidated, unliquidated, future or contingent, to present particulars thereof in writing to the liquidator not later than two months after the first publication of the notice;
- (c) take into his custody and control the property of the corporation;
- (d) open and maintain a trust account for the moneys of the corporation;
- (e) keep accounts of the moneys of the corporation received and paid out by him;
- (f) maintain separate lists of the shareholders, creditors and other persons having claims against the corporation;
- (g) if at any time the liquidator determines that the corporation is unable to pay or adequately provide for the discharge of its obligations, apply to the court for directions;
- (h) deliver to the court and to the Director, at least once in every twelve-month period after his appointment or more often as the court may require, financial statements of the corporation in the form required by section 149 or in such other form as the liquidator may think proper or as the court may require; and
- (i) after his final accounts are approved by the court, distribute any remaining property of the corporation among the shareholders according to their respective rights.

1976-77, c.10, s.214; R.S.S. 1978, c.B-10, s.214.

Powers of liquidator

215(1) A liquidator may:

- (a) retain lawyers, accountants, engineers, appraisers and other professional advisers;
- (b) bring, defend or take part in any civil, criminal or administrative action or proceeding in the name and on behalf of the corporation;
- (c) carry on the business of the corporation as required for an orderly liquidation;
- (d) sell by public auction or private sale any property of the corporation;
- (e) do all acts and execute any documents in the name and on behalf of the corporation;
- (f) borrow money on the security of the property of the corporation;
- (g) settle or compromise any claims by or against the corporation; and
- (h) do all other things necessary for the liquidation of the corporation and distribution of its property.

Reliance on statements

(2) A liquidator is not liable if he relies in good faith upon:

- (a) financial statements of the corporation represented to him by an officer of the corporation or in a written report of the auditor of the corporation to reflect fairly the financial condition of the corporation; or
- (b) an opinion, a report or a statement of a lawyer, an accountant, an engineer, an appraiser or other professional adviser retained by the liquidator.

Application for examination

(3) If a liquidator has reason to believe that any person has in his possession or under his control, or has concealed, withheld or misappropriated any property of the corporation, he may apply to the court for an order requiring that person to appear before the court at the time and place designated in the order and to be examined.

Power of court

(4) If the examination referred to in subsection (3) discloses that a person has concealed, withheld or misappropriated property of the corporation, the court may order that person to restore it or pay compensation to the liquidator.

1976-77, c.10, s.215; R.S.S. 1978, c.B-10, s.215.

Costs of liquidation

216(1) A liquidator shall pay the costs of liquidation out of the property of the corporation and shall pay or make adequate provision for all claims against the corporation.

Final account

(2) Within one year after his appointment, and after paying or making adequate provision for all claims against the corporation, the liquidator shall apply to the court:

- (a) for approval of his final accounts and for an order permitting him to distribute in money or in kind the remaining property of the corporation to its shareholders according to their respective rights; or
- (b) for an extension of time, setting out the reasons therefor.

Shareholder application

(3) If a liquidator fails to make the application required by subsection (2), a shareholder of the corporation may apply to the court for an order for the liquidator to show cause why a final accounting and distribution should not be made.

Publication

(4) A liquidator shall give notice of his intention to make an application under subsection (2) to the Director, each inspector appointed under section 210, each shareholder and any person who provided a security or fidelity bond for the liquidation, and he shall publish the notice in a newspaper published or distributed in the place where the corporation has its registered office or as otherwise directed by the court.

Final order

(5) If the court approves the final accounts rendered by a liquidator, the court shall make an order:

- (a) directing the Director to issue a certificate of dissolution;
- (b) directing the custody or disposal of the documents and records of the corporation; and
- (c) subject to subsection (6), discharging the liquidator.

Delivery of order

(6) The liquidator shall forthwith send a certified copy of the order referred to in subsection (5) to the Director.

Certificate of dissolution

(7) Upon receipt of the order referred to in subsection (5), the Director shall issue a certificate of dissolution in accordance with section 255.

Effect of certificate

(8) The corporation ceases to exist on the date shown in the certificate of dissolution.

1976-77, c.10, s.216; R.S.S. 1978, c.B-10, s.216.

Right to distribution in money

217(1) If in the course of liquidation of a corporation the shareholders resolve or the liquidator proposes to:

- (a) exchange all or substantially all the property of the corporation for securities of another body corporate that are to be distributed to the shareholders; or
- (b) distribute all or part of the property of the corporation to the shareholders in kind;

a shareholder may apply to the court for an order requiring the distribution of the property of the corporation to be in money.

Powers to court

(2) Upon an application under subsection (1), the court may order:

- (a) all the property of the corporation to be converted into and distributed in money; or
- (b) the claims of any shareholder applying under this section to be satisfied by a distribution in money, in which case subsections (20) to (22) of section 184 apply.

1976-77, c.10, s.217; R.S.S. 1978, c.B-10, s.217.

Custody of records

218(1) A person who has been granted custody of the documents and records of a dissolved corporation remains liable to produce such documents and records for six years following the date of its dissolution or until the expiry of such other shorter period as may be ordered under subsection (5) of section 216.

Offence

(2) A person who, without reasonable cause, contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c. 10, s. 218; R.S.S. 1978, c.B-10, s.218.

Interpretation, "shareholder"

219(1) In this section, "**shareholder**" includes the heirs and legal representatives of a shareholder.

Continuation of actions

(2) Notwithstanding the dissolution of a corporation under this Act:

- (a) a civil, criminal or administrative action or proceeding commenced by or against the corporation before its dissolution may be continued as if the corporation had not been dissolved;
- (b) a civil, criminal or administrative action or proceeding may be brought against the corporation within two years after its dissolution as if the corporation had not been dissolved; and
- (c) any property that would have been available to satisfy any judgement or order if the corporation had not been dissolved remains available for such purpose.

Service

(3) Service of a document on a corporation after its dissolution may be effected by serving the document upon a person shown in the last notice filed under section 101 or 108.

Reimbursement

(4) Notwithstanding the dissolution of a corporation, a shareholder to whom any of its property has been distributed is liable to any person claiming under subsection (2) to the extent of the amount received by that shareholder upon such distribution, and an action to enforce such liability may be brought within two years after the date of the dissolution of the corporation.

Representative action

(5) A court may order an action referred to in subsection (4) to be brought against the persons who were shareholders as a class, subject to such conditions as the court thinks fit and, if the plaintiff establishes his claim, the court may refer the proceedings to a referee or other officer of the court who may:

- (a) add as a party to the proceedings before him each person who was a shareholder found by the plaintiff;
- (b) determine, subject to subsection (4), the amount that each person who was a shareholder shall contribute towards satisfaction of the plaintiff's claim; and
- (c) direct payment of the amounts so determined.

1976-77, c.10, s.219; R.S.S. 1978, c.B-10, s.219.

Unknown claimants

220(1) Upon the dissolution of a corporation, the portion of the property distributable to a creditor or shareholder who cannot be found shall be converted into money and paid to the Minister of Finance.

Constructive satisfaction

(2) A payment under subsection (1) is deemed to be in satisfaction of a debt or claim of such creditor or shareholder.

(3) If at any time a person establishes that he is entitled to any moneys paid to the Minister of Finance under this Act, the Minister of Finance shall pay an equivalent amount to him out of the consolidated fund.

1976-77, c.10, s.220; R.S.S. 1978, c.B-10, s.220.

Vesting in Crown

221(1) Subject to subsection (2) of section 219 and section 220, property of a corporation that has not been disposed of at the date of its dissolution vests in Her Majesty in right of Saskatchewan.

Return of property on revival

(2) If a corporation is revived under section 202, any property other than money that vested in Her Majesty pursuant to subsection (1) and that has not been disposed of shall be returned to the corporation and there shall be paid to the corporation out of the consolidated fund:

- (a) an amount equal to any money received by Her Majesty pursuant to subsection (1); and
- (b) where property other than money vested in Her Majesty pursuant to subsection (1) and that property has been disposed of, an amount equal to the lesser of:
 - (i) the value of any such property at the date it vested in Her Majesty; and
 - (ii) the amount realized by Her Majesty from the disposition of that property.

1976-77, c.10, s.221; R.S.S. 1978, c.B-10, s.221.

DIVISION XVII – INVESTIGATION

Investigation

222(1) A security holder or the Director may apply, *ex parte* or upon such notice as the court may require, to a court having jurisdiction in the place where the corporation has its registered office for an order directing an investigation to be made of the corporation and any of its affiliated corporations.

Guards

- (2) If, upon an application under subsection (1), it appears to the court that:
- (a) the business of the corporation or any of its affiliates is or has been carried on with intent to defraud any person;
 - (b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised in a manner that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of a security holder;

(c) the corporation or any of its affiliates was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or

(d) persons concerned with the formation, business or affairs of the corporation or any of its affiliates have in connection therewith acted fraudulently or dishonestly;

the court may order an investigation to be made of the corporation and any of its affiliated corporations.

Notice to Director

(3) If a security holder makes an application under subsection (1) he shall give the Director reasonable notice thereof, and the Director is entitled to appear and be heard in person or by counsel.

No security for costs

(4) An applicant under this section is not required to give security for costs.

Hearing *in camera*

(5) An *ex parte* application under this section shall be heard *in camera*.

Consent to publish proceedings required

(6) No person may publish anything relating to *ex parte* proceedings under this section except with the authorization of the court or the written consent of the corporation being investigated.

1976-77, c.10, s.222; R.S.S. 1978, c.B-10, s.222.

Powers of court

223(1) In connection with an investigation under this Division, the court may make any order it thinks fit including, without limiting the generality of the foregoing:

(a) an order to investigate;

(b) an order appointing an inspector, who may be the Director, fixing the remuneration of an inspector, and replacing an inspector;

(c) an order determining the notice to be given to any interested person, or dispensing with notice to any person;

(d) an order authorizing an inspector to enter any premises in which the court is satisfied there might be relevant information, and to examine any thing and make copies of any document or record found on the premises;

(e) an order requiring any person to produce documents or records to the inspector;

(f) an order authorizing an inspector to conduct a hearing, administer oaths and examine any person upon oath, and prescribing rules for the conduct of the hearing;

(g) an order requiring any person to attend a hearing conducted by an inspector and to give evidence upon oath;

(h) an order giving directions to an inspector or any interested person on any matter arising in the investigation;

(i) an order requiring an inspector to make an interim or final report to the court;

c. B-10

BUSINESS CORPORATIONS

- (j) an order determining whether a report of an inspector should be published and, if so, ordering the Director to publish the report in whole or in part or to send copies to any person the court designates;
- (k) an order requiring an inspector to discontinue an investigation;
- (l) an order requiring the corporation to pay the costs of the investigation.

Copy of report

(2) An inspector shall send to the Director a copy of every report made by the inspector under this Division.

1976-77, c.10, s.223; R.S.S. 1978, c.B-10, s.223.

Power of inspector

224(1) An inspector under this Division has the powers set out in the order appointing him.

Court order

(2) An inspector shall upon request produce to an interested person a copy of any order made under subsection (1) of section 223.

1976-77, c.10, s.224; R.S.S. 1978, c.B-10, s.224.

Hearing *in camera*

225(1) Any interested person may apply to the court for an order that a hearing conducted by an inspector under this Division be heard *in camera* and for directions on any matter arising in the investigation.

Right to counsel

(2) A person whose conduct is being investigated or who is being examined at a hearing conducted by an inspector under this Division has a right to be represented by counsel.

1976-77, c.10, s.225; R.S.S. 1978, c.B-10, s.225.

Criminating statements

226 No person is excused from attending and giving evidence and producing documents and records to an inspector under this Division by reason only that the evidence tends to criminate him or subject him to any proceeding or penalty, but no such evidence shall be used or is receivable against him in any proceeding thereafter instituted against him, other than a prosecution for perjury in giving the evidence or a prosecution under section 122 or 124 of the *Criminal Code* in respect of the evidence.

1976-77, c.10, s.226; R.S.S. 1978, c.B-10, s.226.

Absolute privilege, defamation

227 Any oral or written statement or report made by an inspector or any other person in an investigation under this Division has absolute privilege.

1976-77, c.10, s.227; R.S.S. 1978, c.B-10, s.227.

Information respecting ownership and control

228(1) If the Director is satisfied that, for the purposes of Division X or XII, or for the purposes of enforcing any regulation made under section 168 there is reason to inquire into the ownership or control of a security of a corporation or any of its affiliates, the Director may require any person that he reasonably believes has or has had an interest in the security or acts or has acted on behalf of a person with such an interest, to report to him or to any person he designates:

- (a) information that such person has or can reasonably be expected to obtain as to present and past interests in the security; and
- (b) the names and addresses of the persons so interested and of any person who acts or has acted in relation to the security on behalf of the persons so interested.

Constructive interest in securities

(2) For the purposes of subsection (1), a person is deemed to have an interest in a security if:

- (a) he has a right to vote or to acquire or dispose of the security or any interest therein;
- (b) his consent is necessary for the exercise of the rights or privileges of any other person interested in the security; or
- (c) any other person interested in the security can be required or is accustomed to exercise rights or privileges attached to the security in accordance with his instructions.

Offence

(3) A person who fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

Liability of directors or officers

(4) If the person guilty of an offence under subsection (3) is a body corporate, then, whether or not the body corporate has been prosecuted or convicted, any director or officer of the body corporate who knowingly authorizes, permits or acquiesces in such failure is also guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both.

1976-77, c.10, s.228; R.S.S. 1978, c.B-10, s.228.

Solicitor-client privilege

229 Nothing in this Division shall be construed to affect the privilege that exists in respect of a solicitor and his client.

1976-77, c.10, s.229; R.S.S. 1978, c.B-10, s.229.

Inquiries

230 The Director may make inquiries of any person relating to compliance with this Act.

1976-77, c.10, s.230; R.S.S. 1978, c.B-10, s.230.

DIVISION XVIII – REMEDIES, OFFENCES AND PENALTIES

Interpretation

231 In this Division:

“action”

(a) **“action”** means an action under this Act;

“complainant”

(b) **“complainant”** means:

- (i) a registered holder or beneficial owner, and a former registered holder or beneficial owner, of a security of a corporation or any of its affiliates;
- (ii) a director or an officer or a former director or officer of a corporation or of any of its affiliates;
- (iii) the Director; or
- (iv) any other person who, in the discretion of a court, is a proper person to make an application under this Division.

1976-77, c.10, s.231; R.S.S. 1978, c.B-10, s.231.

Conditions precedent

232(1) Subject to subsection (2), a complainant may apply to a court for leave to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate.

Conditions precedent

(2) No action may be brought and no intervention in an action may be made under subsection (1) unless the court is satisfied that:

- (a) the complainant has given reasonable notice to the directors of the corporation or its subsidiary of his intention to apply to the court under subsection (1) if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

1976-77, c.10, s.232; R.S.S. 1978, c.B-10, s.232.

Powers to court

233 In connection with an action brought or intervened in under section 232, the court may at any time make any order it thinks fit including, without limiting the generality of the foregoing:

- (a) an order authorizing the complainant or any other person to control the conduct of the action;
- (b) an order giving directions for the conduct of the action;

(c) an order directing that any amount adjudged payable by a dependent in the action shall be paid, in whole or in part, directly to former and present security holders of the corporation or its subsidiary instead of to the corporation or its subsidiary;

(d) an order requiring the corporation or its subsidiary to pay reasonable legal fees incurred by the complainant in connection with the action.

1976-77, c.10, s.233; R.S.S. 1978, c.B-10, s.233.

Application to court re oppression

234(1) A complainant may apply to a court for an order under this section.

Grounds

(2) If, upon an application under subsection (1), the court is satisfied that in respect of a corporation or any of its affiliates:

(a) any act or omission of the corporation or any of its affiliates effects a result;

(b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner; or

(c) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner;

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, the court may make an order to rectify the matters complained of.

Powers to court

(3) In connection with an application under this section, the court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing:

(a) an order restraining the conduct complained of;

(b) an order appointing a receiver or receiver-manager;

(c) an order to regulate a corporation's affairs by amending the articles or bylaws or creating or amending a unanimous shareholder agreement;

(d) an order directing an issue or exchange of securities;

(e) an order appointing directors in place of or in addition to all or any of the directors in office;

(f) an order directing a corporation, subject to subsection (6), or any other person, to purchase securities of a security holder;

(g) an order directing a corporation, subject to subsection (6), or any other person, to pay to a security holder any part of the moneys paid by him for securities;

(h) an order varying or setting aside a transaction or contract to which a corporation is a party and compensating the corporation or any other party to the transaction or contract;

(i) an order requiring a corporation, within a time specified by the court, to produce to the court or an interested person financial statements in the form required by section 149 or an accounting in such other form as the court may determine;

- (j) an order compensating an aggrieved person;
- (k) an order directing rectification of the registers or other records of a corporation under section 236;
- (l) an order liquidating and dissolving the corporation;
- (m) an order directing an investigation under Division XVII to be made;
- (n) an order requiring the trial of any issue.

Duty of directors

- (4) If an order made under this section directs amendment of the articles or bylaws of a corporation:
 - (a) the directors shall forthwith comply with subsection (4) of section 185; and
 - (b) no other amendment to the articles or bylaws shall be made without the consent of the court, until a court otherwise orders.

Exclusion

- (5) A shareholder is not entitled to dissent under section 184 if an amendment to the articles is effected under this section.

Limitation

- (6) A corporation shall not make a payment to a shareholder under clause (f) or (g) of subsection (3) if there are reasonable grounds for believing that:
 - (a) the corporation is or would after that payment be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Alternative order

- (7) An applicant under this section may apply in the alternative for an order under section 207.

1976-77, c.10, s.234; R.S.S. 1978, c.B-10, s.234.

Evidence of shareholder approval not decisive

- 235(1)** An application made or an action brought or intervened in under this Division shall not be stayed or dismissed by reason only that it is shown that an alleged breach of a right or duty owed to the corporation or its subsidiary has been or may be approved by the shareholders of such body corporate, but evidence or approval by the shareholders may be taken into account by the court in making an order under section 207, 233 or 234.

Court approval to discontinue

- (2) An application made or an action brought or intervened in under this Division shall not be stayed, discontinued, settled or dismissed for want of prosecution without the approval of the court given upon such terms as the court thinks fit and, if the court determines that the interests of any complainant may be substantially affected by such stay, discontinuance, settlement or dismissal, the court may order any party to the application or action to give notice to the complainant.

No security for costs

- (3) A complainant is not required to give security for costs in any application made or action brought or intervened in under this Division.

Interim costs

(4) In an application made or an action brought or intervened in under this Division, the court may at any time order the corporation or its subsidiary to pay to the complainant interim costs, including legal fees and disbursements, but the complainant is accountable for such interim costs upon final disposition of the application or action.

1976-77, c.10, s.235; R.S.S. 1978, c.B-10, s.235.

Application to court to rectify records

236(1) If the name of a person is alleged to be or to have been wrongly entered or retained in, or wrongly deleted or omitted from, the registers or other records of a corporation, the corporation, a security holder of the corporation or any aggrieved person may apply to a court for an order that the registers or records be rectified.

Notice to Director

(2) An applicant under this section shall give the Director notice of the application and the Director is entitled to appear and be heard in person or by counsel.

Powers to court

(3) In connection with an application under this section, the court may make any order it thinks fit including, without limiting the generality of the foregoing:

- (a) an order requiring the registers or other records of the corporation to be rectified;
- (b) an order restraining the corporation from calling or holding a meeting of shareholders or paying a dividend before such rectification;
- (c) an order determining the right of a party to the proceedings to have his name entered or retained in, or deleted or omitted from, the registers or records of the corporation, whether the issue arises between two or more security holders or alleged security holders, or between the corporation and any security holders or alleged security holders;
- (d) an order compensating a party who has incurred a loss.

1976-77, c.10, s.236; R.S.S. 1978, c.B-10, s.236.

Application for directions

237 The Director may apply to a court for directions in respect of any matter concerning his duties under this Act, and on such application the court may give such directions and make such further order as it thinks fit.

1976-77, c.10, s.237; R.S.S. 1978, c.B-10, s.237.

Notice of refusal by Director

238(1) If the Director refuses to file any articles or other document required by this Act to be filed by him before the articles or other document become effective, he shall, within sixty days after receipt thereof by him or sixty days after he receives any approval that may be required under any other Act, whichever is the later, and after giving the person who sent the articles or document an opportunity to be heard, give written notice of his refusal to the person together with reasons therefor.

(2) If the Director does not file or give written notice of his refusal to file any articles or document within the time limited therefor in subsection (1), he is deemed for the purposes of section 239 to have refused to file the articles or document.

1976-77, c.10, s.238; R.S.S. 1978, c.B-10, s.238.

Appeal from Director's decision

239 A person who feels aggrieved by a decision of the Director:

- (a) to refuse to file in the form submitted to him any articles or other document required by this Act to be filed by him;
- (b) to give a name, to change or revoke a name, or to refuse to reserve, accept, change or revoke a name under section 12;
- (c) to refuse to grant an exemption under subsection (2) of section 10, section 145, section 150, subsection (3) of section 154 and any regulations thereunder, subsection (4) of section 157 or subsection (2) of section 165;
- (d) to refuse to issue a certificate of discontinuance under section 182;
- (e) to refuse to revive a corporation under section 202; or (f) to dissolve a corporation under section 205;

may apply to a court for an order requiring the Director to change his decision, and upon such application the court may so order and make any further order it thinks fit.

1976-77, c.10, s.239; R.S.S. 1978, c.B-10, s.239.

Restraining or compliance order

240 If a corporation or any director, officer, employee, agent, auditor, trustee, receiver, receiver-manager or liquidator of a corporation does not comply with this Act, the regulations, articles, bylaws, or a unanimous shareholder agreement, a complainant or a creditor of the corporation may, in addition to any other right he has, apply to a court for an order directing any such person to comply with, or restraining any such person from acting in breach of, any provisions thereof, and upon such application the court may so order and make any further order it thinks fit.

1976-77, c.10, s.240; R.S.S. 1978, c.B-10, s.240.

Summary application to court

241 Where this Act states that a person may apply to a court, the application may be made in a summary manner by petition, originating notice of motion, or otherwise as the rules of the court provide, and subject to any order respecting notice to interested parties or costs, or any other order the court thinks fit.

1976-77, c.10, s.241; R.S.S. 1978, c.B-10, s.241.

Appeal

242 An appeal lies to the Court of Appeal from any order made by a court under this Act.

1976-77, c.10, s.242; R.S.S. 1978, c.B-10, s.242.

DIVISION XIX – GENERAL

Approval of Superintendent of insurance

243 No corporation that is:

- (a) an insurer within the meaning of *The Saskatchewan Insurance Act*;
- (b) a trust company as defined in the regulations;

- (b) a loan company as defined in the regulations; or
- (d) an issuer within the meaning of *The Investment Contracts Act*;

shall be incorporated or continued under this Part without the written approval of the Superintendent of Insurance.

1976-77, c.10, s.243; R.S.S. 1978, c.B-10, s.243.

Notice of intention

244 An applicant for incorporation, or a corporation applying for continuance, that is mentioned in clause (a), (b), (c) or (d) of section 243 shall advise the Superintendent of Insurance of its intention to make an application for the written approval required under section 243 at least one month before such application is made.

1976-77, c.10, s.244; R.S.S. 1978, c.B-10, s.244.

Prohibition against carrying on other business

245 A corporation mentioned in clause (a), (b), (c) or (d) of section 243 may, subject to its articles, the regulations and any law of Saskatchewan, carry on the business of an insurer, a trust company, a loan company or an issuer, as the case may be, but no such corporation shall carry on any other business.

1976-77, c.10, s.245; R.S.S. 1978, c.B-10, s.245.

Refusal by Lieutenant Governor in Council

246 The Superintendent of Insurance may refer an application by a corporation for written approval mentioned in section 243 to the Lieutenant Governor in Council who may refuse the application and, in the case of refusal, no such corporation shall be incorporated or continued under this Part.

1976-77, c.10, s.246; R.S.S. 1978, c.B-10, s.246.

Notice to directors and shareholders

247(1) A notice or document required by this Act, the regulations, the articles or the bylaws to be sent to a shareholder or director of a corporation may be sent by prepaid mail addressed to, or may be delivered personally to:

- (a) the shareholder at his latest address as shown in the records of the corporation or its transfer agent; and
- (b) the director at his latest address as shown in the records of the corporation or in the last notice filed under section 101 or 108.

Effect of notice

(2) A director named in a notice sent by a corporation to the Director under section 101 or 108 and filed by the Director is presumed for the purposes of this Act to be a director of the corporation referred to in the notice.

1976-77, c.10, s.247; R.S.S. 1978, c.B-10, s.247.

Deemed receipt

248 A notice or document sent in accordance with section 247 to a shareholder or director of a corporation is deemed to be received by him at the time it would be delivered in the ordinary course of mail.

1976-77, c.10, s.248; R.S.S. 1978, c.B-10, s.248.

Undelivered notices

249 If a corporation sends a notice or document to a shareholder in accordance with section 247 and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the corporation is not required to send any further notices or documents to the shareholder until he informs the corporation in writing of his new address.

1976-77, c.10, s.249; R.S.S. 1978, c.B-10, s.249.

Waiver of notice

250 Where a notice or document is required by this Act or the regulations to be sent, the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto.

1976-77, c.10, s.250; R.S.S. 1978, c.B-10, s.250.

Certificate of corporation

251 A certificate issued on behalf of a corporation stating any fact that is set out in the articles, the bylaws, a unanimous shareholder agreement, the minutes of the meetings of the directors, a committee of directors or the shareholders, or in a trust indenture or other contract to which the corporation is a party may be signed by a director, an officer or a transfer agent of the corporation.

1976-77, c.10, s.251; R.S.S. 1978, c.B-10, s.251.

Proof

252 When introduced as evidence in any civil, criminal or administrative action or proceeding:

- (a) a fact stated in a certificate referred to in section 251;
- (b) a certified extract from a securities register of a corporation; or
- (c) a certified copy of minutes or extract from minutes of a meeting of shareholders, directors or a committee of directors of a corporation;

is, in the absence of evidence to the contrary, proof of the fact so certified without proof of the signature or official character of the person appearing to have signed the certificate.

1976-77, c.10, s.252; R.S.S. 1978, c.B-10, s.252.

Security certificate

253 An entry in a securities register of, or a security certificate issued by, a corporation is, in the absence of evidence to the contrary, proof that the registered holder is owner of the securities described in the register or in the certificate.

1976-77, c.10, s.253; R.S.S. 1978, c.B-10, s.253.

Copies

254 Where a notice or document is required to be sent to the Director under this Act, the Director may accept a photostatic or photographic copy thereof.

1976-77, c.10, s.254; R.S.S. 1978, c.B-10, s.254.

Interpretation “statement”

255(1) In this section, “**statement**” means a statement of intent to dissolve and a statement of revocation of intent to dissolve referred to in section 204.

Execution and filing

(2) Where this Act requires that articles or a statement relating to a corporation shall be sent to the Director, unless otherwise specifically provided:

- (a) two copies, in this section called “duplicate originals”, of the articles or the statement shall be signed by a director or an officer of the corporation or, in the case of articles of incorporation, by the incorporator; and
- (b) upon receiving duplicate originals of any articles or statement that conform to law, the application for registration mentioned in section 263 and any other required documents and the prescribed fees, the Director shall:
 - (i) endorse on each of the duplicate originals the word “Registered” and the date of the registration;
 - (ii) issue in duplicate the appropriate certificate and attach to each certificate one of the duplicate originals of the articles or statement;
 - (iii) file a copy of the certificate and attached articles or statement;
 - (iv) send to the corporation or its representative the original certificate and attached articles or statement; and
 - (v) publish in the Gazette notice of the issue of the certificate.

Date of certificate

(3) A certificate referred to in subsection (2) issued by the Director may be dated as of the day he receives the articles, statement or court order pursuant to which the certificate is issued or as of any later day specified by the court or person who signed the articles or statement.

Signature

(4) A signature required on a certificate referred to in subsection (2) may be printed or otherwise mechanically produced thereon.

Date of signature

(5) Notwithstanding subsection (3), a certificate of discontinuance mentioned in subsection (7) of section 182 may be dated as of the day when a corporation is continued under the laws of another jurisdiction.

1976-77, c.10, s.255; R.S.S. 1978, c.B-10, s.255.

Alteration

256 The Director may alter a notice or document, other than an affidavit or statutory declaration, if so authorized by the person who sent the document or by his representative.

1976-77, c.10, s.256; R.S.S. 1978, c.B-10, s.256.

Corrections

257(1) If a certificate containing an error is issued to a corporation by the Director, the directors or shareholders of the corporation shall, upon the request of the Director, pass the resolutions and send to him the documents required to comply with this Act, and take such other steps as the Director may reasonably require, and the Director may demand the surrender of the certificate and issue a corrected certificate.

Date of corrected certificate

(2) A certificate corrected under subsection (1) shall bear the date of the certificate it replaces.

Notice

(3) If a corrected certificate issued under subsection (1) materially amends the terms of the original certificate, the Director shall forthwith give notice of the correction in the Gazette.

1976-77, c.10, s.257; R.S.S. 1978, c.B-10, s.257.

Authorizing continuance

258(1) Subject to subsection (3), a corporation may:

(a) by ordinary resolution, authorize the directors of the corporation to apply under section 181 for a certificate of continuance; and

(b) by special resolution, make any amendment to its Act of incorporation or to its articles that a corporation incorporated under this Act may make to its articles;

but no such corporation shall by that resolution change any rights, privileges, restrictions or conditions, including rights to accrued dividends, that attach to any class or series of shares or make any change referred to in section 170 that affects a class or series of shares, unless the holders of shares of the class or series of shares approve the change in accordance with section 170.

No dissent

(2) No shareholder is entitled to dissent under section 184 in respect of an amendment made under clause (b) of subsection (1).

Mandatory continuance

(3) A corporation, other than a corporation incorporated under this Act or a corporation in respect of which an order has been made under *The Companies Winding Up Act* before this Act comes into force, shall apply for a certificate of continuance under section 181 within three years after.

Fees

(4) No corporation that obtains a certificate of continuance under section 181 pursuant to a special resolution under this section is required to pay any fees otherwise payable under this Act in respect of such continuance if the certificate of continuance is obtained within one year after this Act comes into force.

Automatic dissolution

(5) A corporation referred to in subsection (3) that does not make an application to obtain a certificate of continuance within the period specified in that subsection is dissolved upon the expiry of that period.

1976-77, c.10, s.258; R.S.S. 1978, c.B-10, s.258.

Reference to *The Companies Act*

259(1) Any reference to *The Companies Act* in an Act incorporating or continuing a corporation shall be deemed to be a reference to this Act.

Incorporation of this Act with others

(2) The provisions of this Part, excepting section 258, shall be and are hereby incorporated in any Act incorporating or continuing a corporation, unless the contrary is expressly declared in the Act incorporating or continuing the corporation, and except insofar as the provisions of this Part may be inconsistent with the express terms of that Act.

Restriction on business that may be carried on

(3) Where the provisions of this Part apply to a corporation by reason of subsection (2) and the Act incorporating or continuing the corporation contains the words “the objects of the company are” or words of like effect, those words shall be deemed to be struck out and the words “the business that the corporation may carry on is restricted to” shall be deemed to be substituted therefor.

Exemption

(4) The Lieutenant Governor in Council may exempt from subsections (1), (2) and (3) any corporation incorporated or continued by an Act and thereupon, until such time as the exemption is revoked by the Lieutenant Governor in Council or *The Companies Act* repealed, whichever is first, this Part shall have no application and shall be deemed always to have had no application to that Act.

1976-77, c.10, s.259; R.S.S. 1978, c.B-10, s.259.

Incorporation under The Companies Act prohibited

260 After this Act comes into force, no company may be incorporated under *The Companies Act*.

1976-77, c.10, s.260; R.S.S. 1978, c.B-10, s.260.

PART II

Registration of Corporations

DIVISION I – APPLICATION

Application of Part

261(1) Subject to subsection (2), this Part applies to every corporation wherever or however incorporated.

Exceptions

- (2) No provision of this Part applies to:
- (a) a corporation, other than a mutual insurance corporation, without share capital that is incorporated by or under an Act of the Legislature;
 - (b) a chartered bank or a railway corporation;
 - (c) an extra-provincial insurer licensed under;
 - (d) a corporation incorporated or registered under *The Co-operative Associations Act*, *The Co-operative Marketing Associations Act*, *The Co-operative Production Associations Act*, or *The Credit Union Act*;
 - (e) any corporation or class of corporation exempted by the regulations.

Registration of extra-provincial corporatives requires written approval

(3) No extra-provincial corporation that is organized and operated on a co-operative basis within the meaning of any Act mentioned in clause (d) of subsection (2) shall be registered under this Part without the written approval of the Minister of Co-operation and Co-operative Development.

Extra-provincial corporation not subject to *The Companies Act*

(4) No provision of *The Companies Act* applies to an extra-provincial corporation and no extra-provincial corporation may be registered under *The Companies Act*.

1976-77, c.10, s.261; R.S.S. 1978, c.B-10, s.261.

DIVISION II – REGISTRATION

Registration of corporations

262(1) Every corporation carrying on business in Saskatchewan shall be registered under this Part and no corporation shall carry on business in Saskatchewan unless it is so registered.

(2) For the purposes of this Act, a corporation is deemed to be carrying on business if it:

- (a) holds title to land in Saskatchewan or has any interest in land in Saskatchewan;
- (b) maintains an office, warehouse or place of business in Saskatchewan;
- (c) is licensed or registered or required to be licensed or registered under any statute of Saskatchewan entitling it to do business or to sell securities of its own issue;
- (d) is the holder of a certificate of registration, issued under *The Vehicles Act*, respecting a public service vehicle, except where that vehicle neither picks up nor delivers goods or passengers in Saskatchewan;
- (e) is the holder of a licence issued by The Highway Traffic Board under the authority of the *Motor Vehicle Transport Act (Canada)*, except where it neither picks up nor delivers goods in Saskatchewan;
- (f) otherwise carries on business in Saskatchewan.

Telephone listings

(3) Where the number of a telephone located in Saskatchewan is listed in a telephone directory issued by Saskatchewan Telecommunications under the name of a corporation, that corporation is deemed, in the absence of evidence to the contrary, to be carrying on business in Saskatchewan.

Corporation deemed registers if name appears on register

(4) A corporation whose name appears on the register maintained by the Director pursuant to section 282 is deemed to be registered under this Act and any corporation whose name does not appear on the register is deemed not to be registered under this Act.

1976-77, c.10, s.262; R.S.S. 1978, c.B-10, s.262.

Application for registration

263 Every application for registration of a corporation under this Part shall be made to the Director in the prescribed form and shall be accompanied by:

- (a) the prescribed fee;
- (b) a copy of the articles of the corporation verified in a manner acceptable to the Director;
- (c) a power of attorney in accordance with section 268; and
- (d) such other material or information as the Director may require.

1976-77, c.10, s.263; R.S.S. 1978, c.B-10, s.263.

Registration

264(1) Upon receipt of the application together with the prescribed fee and material required under section 263, and subject to any other provisions of this Act, the Director shall register the corporation and enter the name thereof on the register.

Effective date of registration

(2) Subject to subsection (3) of section 255, a corporation is registered under this Act on the date the Director issues:

- (a) the appropriate certificate referred to in subsection (2) of section 255; or
- (b) in the case of an extra-provincial corporation, a certificate stating that the corporation is registered.

Publication of notice

(3) Notice of the registration shall be published in the Gazette.

1976-77, c. 10, s. 264; R.S.S. 1978, c.B-10, s.264.

Termination and renewal of registration

265 The registration of a corporation is terminated when the name of the corporation is struck off the register pursuant to section 290 but the registration of a corporation is renewed when its name is restored to the register in accordance with subsection (5) of section 290.

1976-77, c.10, s.265; R.S.S. 1978, c.B-10, s.265.

Effect of registration

266(1) Subject to this Act and the laws of Saskatchewan, a corporation while registered under this Act may, subject to the provisions of its articles and certificate of registration, carry on business in Saskatchewan.

Previous acts of corporation authorized

(2) Registration or renewal of registration of a corporation under this Act shall be deemed to authorize all previous acts of the corporation as if the corporation had been registered at the time of such acts, except for the purposes of a prosecution of an offence against this Act.

1976-77, c.10, s.266; R.S.S. 1978, c.B-10, s.266.

DIVISION III – DUTIES AND OBLIGATIONS**Publication of name**

267(1) A corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the corporation.

Other name

(2) A corporation may carry on business under or identify itself by a name other than its corporate name where the name has been registered for that purpose under *The Business Names Registration Act*.

1976-77, c.10, s.267; R.S.S. 1978, c.B-10, s.267.

Power of attorney

268(1) Every extra-provincial corporation shall, before registration, file with the Director a duly executed power of attorney in the prescribed form appointing the person therein named and residing in Saskatchewan to act as its attorney for the purpose of receiving service of process in all suits and proceedings by or against the corporation within Saskatchewan, and for the purpose of receiving all lawful notices, and declaring that service of process in respect of such suits and proceedings, and of such notices, on the attorney are legal and binding.

New power of attorney

(2) A corporation may, by a new or other power of attorney executed and deposited in the manner mentioned in subsection (1), appoint another attorney within Saskatchewan to replace the attorney formerly appointed.

When new power of attorney required

(3) If the attorney named ceases to reside in Saskatchewan, or if the power of attorney filed becomes invalid or ineffectual for any reason, the corporation shall within ten days thereafter file another power of attorney.

Attorney's signature required on appointments

(4) Every attorney shall, in the presence of a witness, sign the power of attorney form wherein he is so appointed declaring that he has consented to act as attorney.

1976-77, c.10, s.268; R.S.S. 1978, c.B-10, s.268.

Service on corporation

269 A notice or document may be served on a corporation:

- (a) by leaving it at, or mailing it by registered mail addressed to, the registered office of the corporation;
- (b) by personally serving any director, officer, receiver-manager or liquidator of the corporation; or
- (c) by personally serving any attorney of the corporation appointed pursuant to section 268.

1976-77, c.10, s.269; R.S.S. 1978, c.B-10, s.269.

Notices of change

270(1) An extra-provincial corporation shall send to the Director notice of any change:

- (a) in the address of its head office, whether within or outside of Saskatchewan;
- (b) in the address of its attorney; and (c) of its directors.

Duplicate copies required

(2) Every notice of change shall be sent in duplicate to the Director who shall return one copy endorsed by him to show that notice has been filed.

Notice to be sent within fifteen days

(3) A notice of change under this section shall be sent to the Director not later than fifteen days after the change is made.

1976-77, c.10, s.270; R.S.S. 1978, c.B-10, s.270.

Amendment to articles

271(1) An extra-provincial corporation shall send to the Director, together with the prescribed fee, a copy of any amendment to its articles within thirty days of the date of the amendment.

Certificate of Director

(2) The Director may issue a certificate, in respect of an amendment mentioned in subsection (1), in a form adapted to the circumstances and may publish a notice thereof in the Gazette.

1976-77, c.10, s.271; R.S.S. 1978, c.B-10, s.271.

Prospectus

272(1) Every corporation registered under this Act that files a prospectus, or an amendment thereto, under *The Securities Act*, shall also send a copy thereof, together with the prescribed fee, to the Director within seven days from the date of the receipt of the prospectus or amendment from the registrar of the Commission.

Exception

(2) No provision of subsection (1) applies to a preliminary prospectus or an amendment thereto.

1976-77, c. 10, s. 272; R.S.S. 1978, c.B-10, s.272.

Annual return

273(1) Every corporation shall, on or before the thirty-first day of May of each year, other than the year of its incorporation, send to the Director an annual return in the prescribed form, together with the prescribed fee.

Information as at preceding March 31st

(2) The annual return shall contain the required information as at the thirty-first day of March preceding.

1976-77, c.10, s.273; R.S.S. 1978, c.B-10, s.273.

Shareholders' list

274(1) Subject to subsection (2), every corporation other than an extra-provincial corporation shall send to the Director with the return mentioned in section 273 a list of all persons who were shareholders of the corporation on the date of the return and the list shall show:

- (a) the full name and address of each of those shareholders; and
- (b) the number and class of shares held by each of those shareholders.

Shareholders' list to be sent to Director

(2) No provision of this section applies to a corporation where the register of members of that corporation:

- (a) is kept at an office in Saskatchewan of a trust company licensed under *The Trust and Loan Companies Licensing Act*; and
- (b) contains the names of more than fifty shareholders;

but the Director may at any time by notice in writing require the corporation to prepare and send the list mentioned in subsection (1) to him within the time specified in the notice.

1976-77, c.10, s.274; R.S.S. 1978, c.B-10, s.274.

DIVISION IV – DISABILITIES AND PENALTIES

Unregistered corporation incapable of maintaining actions

275(1) A corporation that is not registered under this Act is not capable of commencing or maintaining any action or other proceeding in a court in respect of a contract made in whole or in part in Saskatchewan in the course of, or in connection with, its business.

Burden of proof

(2) In any action or proceeding, the onus shall be on the corporation to prove that it was registered.

Non-application to Canada corporation

(3) No provision of this section applies to a Canada corporation.

1976-77, c.10, s.275; R.S.S. 1978, c.B-10, s.275.

Action may be maintained if corporation becomes registered

276 Where a corporation was not registered but becomes registered under this Act, any action or proceeding mentioned in subsection (1) of section 275 may be maintained as if the corporation had been registered before the institution of the action or proceeding.

1976-77, c.10, s.276; R.S.S. 1978, c.B-10, s.276.

Resumption of action

277 Where an action or other proceeding has been dismissed or otherwise decided against a corporation on the grounds that an act or transaction of the company was invalid or prohibited by reason of the corporation not having been registered pursuant to this Act or *The Companies Act*, the corporation may, upon becoming registered under this Act and upon obtaining leave of the court, maintain anew such action or other proceeding as if no judgment had been rendered or entered.

1976-77, c.10, s.277; R.S.S. 1978, c.B-10, s.277.

Acts of unregistered corporation not invalid

278 No act of a corporation, including the holding of title to land or of any interest in land by a corporation, is invalid by reason only that the corporation was not registered under this Act.

1976-77, c.10, s.278; R.S.S. 1978, c.B-10, s.278.

PART III

Administration

DIVISION I – DIRECTOR AND HIS DUTIES

Appointment of Director, etc.

279 The Lieutenant Governor in Council may appoint a Director and one or more Deputy Directors who may carry out the duties and exercise the powers of the Director under this Act.

1976-77, c.10, s.279; R.S.S. 1978, c.B-10, s.279.

Seal

280 The Lieutenant Governor in Council may prescribe a seal for use by the Director in the performance of his duties.

1976-77, c.10, s.280; R.S.S. 1978, c.B-10, s.280.

Service upon Director

281 A document may be served on the Director by leaving it at the office of the Director in Regina or by mailing it by registered post addressed to the Director at that office.

1976-77, c.10, s.281; R.S.S. 1978, c.B-10, s.281.

DIVISION II – RECORDS

Register of corporations

282 The Director shall maintain a register of corporations in which shall be kept the name of every corporation that is:

- (a) incorporated under this Act;
- (b) registered under this Act;
- (c) immediately before the coming into force of this Act, on the register in accordance with *The Companies Act*;
- (d) continued as a corporation in accordance with section 181; or
- (e) restored to the register pursuant to section 290;

and that has not been subsequently struck off the register pursuant to section 290 of this Act.

1976-77, c.10, s.282; R.S.S. 1978, c.B-10, s.282.

Documents under *The Companies Act* become documents under this Act

283 Every document kept, filed or registered by the Registrar of Companies under *The Companies Act* is deemed to be a document sent to the Director as required by this Act.

1976-77, c.10, s.283; R.S.S. 1978, c.B-10, s.283.

Inspection

284(1) A person who has paid the prescribed fee is entitled, during normal business hours, to examine, and to make copies of or extracts from, a document required by this Act or the regulations to be sent to the Director, except a report sent to him under subsection (2) of section 223.

Copies

(2) The Director shall, upon request and payment of the prescribed fee, furnish any person with a copy or a certified copy of any document received by him under this Act, except a report received by him pursuant to subsection (2) of section 223.

1976-77, c.10, s.284; R.S.S. 1978, c.B-10, s.284.

Obligation to furnish records

285(1) Where records maintained by the Director are prepared and maintained in a form mentioned in subsection (1) of section 22:

- (a) the Director shall furnish any copy required to be furnished under section 284 in written form; and
- (b) a report reproduced from those records, if it is certified by the Director, is admissible in evidence to the same extent as the original written records would have been.

Retention of records

(2) The Director is not required to produce any document, other than a certificate and attached articles or statement filed under section 255, after six years from the date he received it.

Period of retention for certain documents

(3) In the case of an extra-provincial corporation, the Director is not required to produce any document filed under this Act after six years from the date on which the name of the corporation was last on the register.

1976-77, c.10, s.285; R.S.S. 1978, c.B-10, s.285.

Certificate of Director

286(1) The Director may furnish any person with a certificate stating that:

- (a) a corporation has or has not sent to the Director a document required to be sent to him under this Act;
- (b) a name, whether that of a corporation or not, is or is not on the register;
- (c) a name, whether that of a corporation or not, was or was not on the register on a stated date.

Manner of certification

(2) Where this Act requires or authorizes the Director to issue a certificate or to certify any fact, the certificate or the certification shall be signed by the Director or by a Deputy Director.

Evidence

(3) Except in a proceeding under section 206 to dissolve a corporation, a certificate or certification mentioned in subsection (2), when introduced as evidence in any civil, criminal or administrative action or proceeding, is conclusive proof of the facts so certified without proof of the signature or official character of the person appearing to have signed the certificate.

1976-77, c.10, s.286; R.S.S. 1978, c.B-10, s.286.

Director may refuse certain documents

287(1) The Director may, where he is of opinion that any document submitted to him:

- (a) contains matter contrary to law;
- (b) by reason of any omission or error in description, has not been duly completed;
- (c) does not comply with the requirements of this Act;
- (d) contains any error, alteration or erasure;

- (e) is not sufficiently legible;
- (f) is not sufficiently permanent for his records; refuse to receive, file or register the document.

Director may request amended or new document

- (2) The Director may request that a document refused under subsection (1) be amended or completed and resubmitted, or that a new document be submitted in its place.

Director may refer application to Lieutenant Governor in Council

- (3) The Director may, in the case of any corporation other than a corporation, refer the application mentioned in subsection (1) of section 181 or section 263 to the Lieutenant Governor in Council, who may refuse registration at his discretion, and in case of refusal no such corporation shall be registered.

Lieutenant Governor in Council may revoke registration

- (4) The Lieutenant Governor in Council may:
 - (a) revoke the registration of a corporation other than a Canada corporation:
 - (i) for good cause; or
 - (ii) for failure by the corporation to comply with any requirement of this Act; and
 - (b) subject to any condition the Lieutenant Governor in Council may deem necessary, remove or cancel the revocation mentioned in clause (a).

Rights of creditor

- (5) No revocation affects the rights of a creditor of the corporation.

Notices to be published

- (6) Notice of any revocation, or removal or cancellation thereof, shall be published by the Director in the Gazette.

Restoring name to register

- (7) Upon removal or cancellation of a revocation the name of the corporation shall be restored to the register.

1976-77, c.10, s.287; R.S.S. 1978, c.B-10, s.287.

Form of documents

- 288(1)** Every document sent to the Director shall be in typed or printed form.

Same

- (2) Where any document required under this Act is not in the English language, the Director may require a translation thereof which shall be notarially certified.

1976-77, c.10, s.288; R.S.S. 1978, c.B-10, s.288.

Proof required by Director

- 289** The Director may require that a document or information required by contained in a document required by this Act or the regulations to be sent to him shall be verified by affidavit or otherwise.

1976-77, c.10, s.289; R.S.S. 1978, c.B-10, s.289.

Striking name of corporation off the register

290(1) The Director may strike the name of a corporation off the register if:

- (a) the corporation fails to send any return, notice, document or prescribed fee to the Director as required by this Act or the regulations;
- (b) the corporation gives notice to the Director that it has ceased to carry on business in Saskatchewan;
- (c) the corporation is not entitled to carry on business under the act of incorporation of the jurisdiction in which it was incorporated;
- (d) the corporation is issued a certificate of discontinuance pursuant to section 182;
- (e) the corporation is dissolved;
- (f) the corporation does not comply with a direction of the Director under section 297;
- (g) the corporation is amalgamated with one or more other corporations;
- (h) the corporation does not carry out an undertaking given under subclause (i) of clause (a) of section 293;
- (i) the registration of the corporation is revoked under subsection (4) of section 287.

Notice of default

(2) Where the Director is of opinion that a corporation is in default under clause (a) of subsection (1), he shall send to the corporation a notice advising the corporation of the default and stating that, unless the default is remedied within thirty days after the date of the notice, the name of the corporation will be struck off the register.

Method of sending notice

(3) Section 269 applies *mutatis mutandis* to the notice mentioned in subsection (2) but, in the case of an extra-provincial corporation, the notice may be sent by registered mail to the head office of the corporation within or outside of Saskatchewan or to the attorney appointed under section 268.

Striking name off register

(4) After the expiry of the time mentioned in the notice, the Director may strike the name of the corporation off the register and he shall publish notice thereof in the Gazette.

(5) Where the name of a corporation is struck off the register, the Director may, upon receipt of an application in the prescribed form and upon payment of the prescribed fee, restore the name of the corporation to the register and may issue a certificate in a form adapted to the circumstances.

1976-77, c.10, s.290; R.S.S. 1978, c.B-10, s.290.

Liability of corporation continues

291 Where the name of a corporation is struck off the register, the liability of the corporation and of every director or officer or member of the corporation shall continue and may be enforced as if the name of the corporation had not been struck off the register.

1976-77, c.10, s.291; R.S.S. 1978, c.B-10, s.291.

DIVISION III – CORPORATE NAMES

Reservation of name

292 The Director may, upon request and upon payment of the prescribed fee, reserve for ninety days a name for an intended corporation or for a corporation about to change its name.

1976-77, c.10, s.292; R.S.S. 1978, c.B-10, s.292.

Prohibited name

293 No name of a corporation shall:

(a) be the same as or similar to the name of any other corporation, or to the name of any association, partnership or firm, if the use of that name would be likely to confuse or mislead, unless the corporation, association, partnership or firm consents in writing to the use of the name in whole or in part and, if required by the Director:

(i) in the case of a corporation, undertakes to dissolve or change its name to a dissimilar name within six months after the filing of the articles by which the name is acquired; or

(ii) in the case of an association, partnership or firm, undertakes to cease to carry on its business or activities, or to change its name to a dissimilar name, within six months after the filing of the articles by which the name is acquired;

(b) be identical to the name of a corporation heretofore incorporated under the laws of Saskatchewan;

(c) suggest or imply a connection with the Crown or the Government of Canada or of any province or territory of Canada or any department, branch, bureau, service, agency or activity of any such government or municipality, unless the concerned authority consents in writing to the proposed name;

(d) suggest or imply a connection with a political party or a leader of a political party;

(e) suggest or imply a connection with a university or a professional association recognized by the laws of Canada or of a province of Canada, unless the university or professional association concerned consents in writing to the use of the proposed name; or

(f) be a name that is prohibited by the regulations.

1976-77, c.10, s.293; R.S.S. 1978, c.B-10, s.293.

Name may be refused by Director

294 The Director may refuse to register a corporation or to register articles amending the name of a corporation if the name:

- (a) is not distinctive because the name is:
 - (i) too general;
 - (ii) descriptive only of the quality, function or other characteristic of the goods or services in which the corporation deals or intends to deal; or
 - (iii) primarily or only a geographic name used alone;

unless the applicant establishes that the name has through use acquired and continues to have secondary meaning;

- (b) is deceptively inaccurate in describing:
 - (i) the business, goods or services in association with which it is proposed to be used;
 - (ii) the conditions under which the goods or services will be produced or supplied;
 - (iii) the persons to be employed in the production or supply of those goods or services; or
 - (iv) the place or origin of those goods or services;
- (c) is likely to be confusing with that of a corporation that was dissolved;
- (d) contains the word or words “credit union”, “co-operative”, “co-op” or “pool” when it connotes a co-operative venture;
- (e) is, in the opinion of the Director, for any reason objectionable.

1976-77, c.10, s.294; R.S.S. 1978, c.B-10, s.294.

Amalgamation

295 If two or more corporations amalgamate, the amalgamated corporation may have:

- (a) the name of one of the amalgamating corporations;
- (b) a distinctive combination, that is not confusing, of the names of the amalgamating corporations; or
- (c) a distinctive new name that is not confusing.

1976-77, c.10, s.295; R.S.S. 1978, c.B-10, s.295.

Condition of revival

296 Where a corporation has been revived under this Act, if between the date of its dissolution and the date of its revival another corporation has been granted a name that is likely to be confused with the name of the revived corporation, the Director may require as a condition of revival that the revived corporation does not carry on business or, if it seeks to carry on business, that it change its name immediately after it is revived.

1976-77, c.10, s.296; R.S.S. 1978, c.B-10, s.296.

Objectionable name

297 If through inadvertence or otherwise an extra-provincial corporation, other than a Canada corporation, is granted, upon registration or upon a change of name, a name that is, in the opinion of the Director, for any reason objectionable, the Director may direct the corporation to change its name and the corporation shall, within ninety days of the date of the direction, change its name to a name that, in the opinion of the Director, is not objectionable.

1976-77, c.10, s.297; R.S.S. 1978, c.B-10, s.297.

Effect of change of name of extra-provincial corporation

298 Where an extra-provincial corporation changes its name, the change of name does not affect any rights or obligations of the corporation, or render defective any legal proceedings by or against it, and proceedings that might have been continued or commenced by or against it under the former name may be continued or commenced by or against it under the new name.

1976-77, c. 10, s. 298; R.S.S. 1978, c.B-10, s.298.

DIVISION IV – OFFENCES AND PENALTIES

Offence for carrying on business while not registered

299 Subject to subsections (2) and (3) of section 10, a person who carries on business:

- (a) under a name part of which is “Limited”, “Limitee”, “Incorporated”, “Incorporee” or “Corporation”, or the abbreviation “Ltd.”, “Ltee”, “Inc.” or “Corp.”, whether or not the name is that of a corporation; or
- (b) under a name part of which is not “Limited”, “Limitee”, “Incorporated”, “Incorporee” or “Corporation”, or the abbreviation “Ltd.”, “Ltee”, “Inc.” or “Corp.”, if the name is that of a corporation;

is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both such fine and imprisonment, unless:

- (c) the name is on the register; or
- (d) the name is the name of a corporation that is exempted from registration under this Act.

1976-77, c.10, s.299; R.S.S. 1978, c.B-10, s.299.

Offences with respect to reports

300(1) A person who makes or assists in making a report, return, notice or other document required by this Act or the regulations to be sent to the Director or to any other person that:

- (a) contains an untrue statement of a material fact; or
- (b) omits to state a material fact required therein or necessary to make a statement contained therein not misleading in the light of the circumstances in which it was made;

is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Immunity

(2) No person is guilty of an offence under subsection (1) if the untrue statement or omission was unknown to him and in the exercise of reasonable diligence could not have been known to him.

1976-77, c.10, s.300; R.S.S. 1978, c.B-10, s.300.

Liability of directors, etc.

301 Where the person guilty of an offence under section 299 or subsection (1) of section 300 is a corporation, and a director or officer of that corporation knowingly authorized, permitted or acquiesced in the commission of the offence, the director or officer is also guilty of the offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both such fine and imprisonment, whether or not the corporation is prosecuted or convicted.

1976-77, c.10, s.301; R.S.S. 1978, c.B-10, s.301.

Offence

302 Every person who, without reasonable cause, contravenes a provision of this Act or the regulations for which no punishment is provided is guilty of an offence and liable on summary conviction to a fine not exceeding \$500.

1976-77, c.10, s.302; R.S.S. 1978, c.B-10, s.302.

Order to comply

303(1) Where a person is guilty of an offence under this Act or the regulations, any court in which proceedings in respect of the offence are taken may, in addition to any punishment it may impose, order that person to comply with the provisions of this Act or the regulations for the contravention of which he has been convicted.

Time limited for proceedings

(2) A prosecution for an offence under this Act may be instituted at any time within two years from the time when the subject matter of the complaint arose.

Civil remedy not affected

(3) No civil remedy for an act or omission is suspended or affected by reason that the act or omission is an offence under this Act.

1976-77, c.10, s.303; R.S.S. 1978, c.B-10, s.303.

DIVISION V – REGULATIONS

Regulations

304 For the purpose of carrying out the provisions of this Act according to their intent, the Lieutenant Governor in Council may make regulations that are ancillary to and are not inconsistent with this Act, and every regulation made under this section has the force of law and, without restricting the generality of the foregoing, the Lieutenant Governor in Council may make regulations:

- (a) prescribing any matter required or authorized by this Act to be prescribed by regulation;
- (b) requiring the payment and prescribing the amount of any fee in respect of the filing, examination or copying of any document, or in respect of any action that the Director is required or authorized to take under this Act;

- (c) prescribing the format and contents of annual returns, notices and other documents required to be sent to the Director or to be issued by him;
- (d) prescribing rules with respect to exemptions permitted by this Act;
- (e) exempting any corporation or class of corporations from any provision of this Act or *The Companies Act*;
- (f) respecting any matter required for the efficient administration of this Act;
- (g) respecting any matter he considers necessary for carrying out the purposes of this Act, including matters in respect of which no express provision or only partial or imperfect provision has been made.

1976-77, c.10, s.304; R.S.S. 1978, c.B-10, s.304.

