

# RESOURCE INVESTMENT CORPORATION ACT

## CHAPTER 366

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### Interpretation

#### 1. In this Act

“agent” means,

- (a) in respect of the Crown in right of the Province, or in right of Canada, or in right of another province, an agent of the Crown in that right, and includes a municipal or public body empowered to perform a function of government in Canada, a corporation empowered to perform a function or duty on behalf of the Crown in that right or a corporation controlled, directly or indirectly, by the Crown in that right; but does not include a member of the Executive Council or a person performing a function or duty in connection with
  - (i) the administration or management of an estate or property of an individual; or
  - (ii) the administration, management or investment of a fund established to provide compensation, hospitalization, medical care, annuity, pension or similar benefits to an individual or particular classes of individuals, or money derived from that fund; and
- (b) in respect of the government of a foreign state or a political subdivision of it, a person empowered to perform a function or duty on behalf of the government of the foreign state or political subdivision;

“articles” means the articles of the company;

“board” means the board of directors of the company;

“business day” means a day on which a stock exchange designated by the board is open for trading in securities;

“charter”, in relation to the company, means this Act, together with the memorandum and articles of the company;

“company” means the company incorporated pursuant to section 2;

“free shares” means the shares of the company disposed of by gift by the Minister of Finance under section 17 (3);

“member” means a subscriber of the memorandum of the company and includes every other person who agrees to become a member and whose name is registered in its register of members or a branch register of members;

“non-resident of the Province” means

- (a) an individual not ordinarily resident in the Province;

- (b) a corporation having its head office outside the Province;
- (c) the Crown or its agent in right of a province outside the Province, the Crown or its agent in right of Canada, or the government of a foreign state or a political subdivision of it or an agent of either;
- (d) a corporation controlled, directly or indirectly, by non-residents of Canada as defined in this section
- (e) a trust
  - (i) established by a non-resident of the Province as defined in this section, other than a trust for the administration of a pension fund for the benefit of individuals, a majority of whom are residents of the Province; or
  - (ii) in which non-residents of the Province as defined in this section have more than 50% of the beneficial interest;
- (f) a corporation of which the majority of the directors, or persons occupying the position of directors by whatever name called, are non-residents of the Province as defined in this section; or
- (g) a corporation controlled, directly or indirectly, by a trust defined in this section as a non-resident of the Province;

“non-resident of Canada” means

- (a) an individual not ordinarily resident in Canada;
- (b) a corporation incorporated, formed or otherwise organized elsewhere than in Canada;
- (c) the government of a foreign state or a political subdivision of it, or an agent of either;
- (d) a corporation controlled, directly or indirectly, by nonresidents of Canada as defined in this section;
- (e) a trust
  - (i) established by a non-resident of Canada as defined in this section, other than a trust for the administration of a pension fund for the benefit of individuals, a majority of whom are residents of Canada; or
  - (ii) in which non-residents of Canada as defined in this section have more than 50% of the beneficial interest;
- (f) a corporation of which the majority of the directors, or persons occupying the position of directors by whatever name called, are non-residents of Canada as defined in this section; or
- (g) a corporation controlled, directly or indirectly, by a trust defined in this section as a non-resident of Canada;

“person” includes the Crown in right of the Province, any other government, and their respective agents;

“resident of the Province” means a person who is not a non-resident of the Province;

“resident of Canada” means a person who is not a non-resident of Canada;

“securities” means bonds, debentures, notes or other evidences of indebtedness;

“shares of the company” means shares in the authorized share capital of the company;

“voting share” means a share of the company that has attached to it a right to vote, whether on the happening of a stated event or otherwise, but does not include a share represented by a bearer share certificate.

1977-47-1; 1979-5-1.

## PART 1

### Company established

**2.** (1) The Lieutenant Governor in Council may appoint 5 individuals to incorporate a company under the *Company Act*.

(2) The name of the company shall be British Columbia Resources Investment Corporation.

(3) The individuals appointed under subsection (1) shall, in accordance with this Act and the *Company Act*,

- (a) determine the contents of the memorandum and articles of the company;
- (b) be the first directors of the company;
- (c) while they remain in office, each be deemed to hold one common share of the company on behalf of the Crown in right of the Province; and
- (d) cease to hold office when the board is elected unless they are elected or appointed under this Act.

1977-47-2.

### Company not Crown agent

**3.** The company is not an agent of the Crown.

1977-47-3.

## PART 2

### Canadians to hold shares

**4.** Only a person who is a Canadian citizen or a resident of Canada is eligible to purchase, own or hold voting shares.

1977-47-6.

### No trust for non-Canadians

**5.** A person shall not purchase or hold voting shares in right of or for the use or benefit of a non-resident of Canada unless the non-resident is a Canadian citizen.

1977-47-6.

### Total share entitlement

- 6.** (1) The total number of voting shares that may be held
- (a) in the name or right of or for the use or benefit of a person; or
  - (b) in the name or right of or for the use or benefit of that person and either or both of
    - (i) members associated with that person; and
    - (ii) any other persons who are associated, or who would be deemed under this Part to be associated, with that person, if both he and the other persons were members,

shall not exceed 1% of the total number of the issued and outstanding voting shares or another percentage prescribed by the Lieutenant Governor in Council.

(2) Subsection (1) does not apply in respect of voting shares held by or on behalf of the Crown in right of the Province.

(3) The total number of voting shares that may be held

- (a) in the name or right of or for the use or benefit of the Crown in right of Canada; or

- (b) in the name or right of or for the use or benefit of the Crown in right of Canada and either or both of
  - (i) an agent of the Crown in right of Canada, and
  - (ii) a person associated with the Crown in right of Canada or with that agent,

shall not exceed 1% of the total number of the issued and outstanding voting shares or another percentage prescribed by the Lieutenant Governor in Council

- (4) The total number of voting shares that may be held
  - (a) in the name or right of or for the use or benefit of the Crown in right of a province other than British Columbia, or
  - (b) in the name or right of or for the use or benefit of the Crown in right of a province other than British Columbia and either or both of
    - (i) an agent of the Crown in right of that other province, and
    - (ii) a person associated with the Crown in right of that other province or with that agent,

shall not exceed 1% of the total number of the issued and outstanding voting shares or another percentage prescribed by the Lieutenant Governor in Council

(5) Notwithstanding subsection (1), the total number of voting shares that may be held

- (a) in the name or right of or for the use or benefit of a mutual fund trust or mutual fund corporation, each as defined in the *Income Tax Act* (Canada), or a person investing money derived from funds established to provide compensation, hospitalization, medical care, annuity, pension or similar benefits to an individual or particular classes of individuals, or
- (b) in the name or right of or for the use or benefit of such a trust, corporation, or person and either or both of
  - (i) members associated with that trust, corporation or person, and
  - (ii) any other persons who are associated, or who would be deemed under this Part to be associated, with the trust, corporation or person, if both the trust, corporation or person and the other person were members,

shall not exceed 3% of the total number of the issued and outstanding voting shares or another percentage prescribed by the Lieutenant Governor in Council

1977 47 7 1978 28 2 1

#### **Crown agent not to hold shares**

7. Voting shares shall not be held in the name or right of or for the use or benefit of an agent of the Crown in right of the Province

1977 47 8

#### **Associated members**

8. (1) For the purposes of this Part, a member shall, except as provided in section 9, be deemed to be associated with another member if

- (a) one member is a corporation of which the other member is an officer or director,
- (b) one member is a partnership of which the other member is a partner,
- (c) one member is a corporation that is controlled, directly or indirectly, by the other member,

- (d) both members are corporations and one member is controlled, directly or indirectly, by the same individual or corporation or the same government in Canada that controls, directly or indirectly, the other member;
- (e) both members are members of a voting trust where the trust relates to voting shares of the company;
- (f) both members are agents of the Crown in right of Canada;
- (g) both members are persons performing on behalf of the Crown in right of Canada a function or duty in connection with the administration, management or investment of a fund or money referred to in paragraph (a) (ii) of the definition of agent;
- (h) both members are agents of the Crown in right of the same province;
- (i) both members are persons performing on behalf of the Crown in right of another province a function or duty in connection with the administration, management or investment of a fund or money referred to in paragraph (a) (i) of the definition of agent;
- (j) both members are associated with the same member within the meaning of paragraphs (a) to (i); or
- (k) both members are parties to an agreement or arrangement a purpose of which, in the opinion of the board, is to require the members to act in concert with respect to their interests in the company.

(2) For the purposes of this Part, where a share of the company is held jointly and one or more of the joint holders is a non-resident of Canada, the share shall be deemed held by a non-resident of Canada.

(3) For the purposes of this Part, a corporation shall be deemed to be controlled by another corporation, individual, trust or government if at any time, in the opinion of the board, it is at that time in fact effectively controlled by the other corporation, individual, trust or government, either directly or indirectly, through the holding of shares of the corporation or any other corporation, through the holding of a significant portion of the outstanding debt of a corporation, trust or individual or by any other means whether of the same or a different nature.

(4) For the purposes of this Act, where a corporation or trust that was at any time a resident of Canada becomes a non-resident of Canada, shares of the company acquired by the corporation or the trust while it was a resident of Canada and held by it while it is a non-resident of Canada shall be deemed to be shares held by a resident of Canada for the use or benefit of a non-resident of Canada.

(5) For the purposes of this Act, a person is associated with another person if, by agreement or arrangement, both act in concert with respect to their interests in the company.

1977-47-9; 1978-28-2.1; 1979-5-3.

### **Declaration of nonassociation**

#### **9. Notwithstanding section 8 (1),**

- (a) where one member who is a resident of Canada and who, but for this section, would be deemed to be associated with another member, submits to the company a declaration stating that none of the voting shares held by him or to be held by him is, or will be, to his knowledge, held in the right of or for the use or benefit of himself or a person with whom, but for this section, he would be deemed to be associated, neither member shall be deemed to be associated with the other so long as the

voting shares from time to time held by the member who made the declaration are not held contrary to the statements made in the declaration;

- (b) 2 members that are corporations and residents of Canada shall not be deemed to be associated with each other under section 8 (1) (j) by reason only that each is deemed under section 8 (1) (a) to be associated with the same member; or
- (c) where it appears from the register of members of the company that not more than 20,000 of the voting shares of the company are held by a member, he shall not be deemed to be associated with any other members, and no other members shall be deemed to be associated with him.

1977-47-10; 1978-28-2.1; 1979-5-3.1.

### Stock depositories

**10.** (1) A stock depository approved by and on terms specified by the board, during the period the board authorizes and notwithstanding section 6 (1), may hold in its name for the use and benefit of others voting shares in excess of the percentage, prescribed in or under that subsection, of the total number of the issued and outstanding voting shares.

(2) Where the shares held in the name of the stock depository exceed that percentage, the voting rights attached to those shares shall not be exercised.

1979-5-4.

## PART 3

### Transfer of shares

**11.** (1) Subject to this section and the charter, the shares of the company are transferable in accordance with the *Company Act*.

(2) A member of the company shall, on the request of the board made in accordance with the articles, submit a declaration to the company with respect to

- (a) his direct or indirect ownership of shares of the company;
- (b) whether or not he and the person in whose right or for whose use or benefit the share is held are residents of Canada or Canadian citizens;
- (c) whether or not he is associated with another shareholder;
- (d) whether or not he is a Canadian citizen;
- (e) if the member is a corporation or trust, information establishing that it is a resident of Canada; and
- (f) other matters the board considers relevant for the purposes of determining whether the member complies with the conditions contained in Part 2.

(3) Where

- (a) a declaration has been requested by the board from a member under this section; and
- (b) the member fails or neglects to submit to the board a declaration satisfactory to it within 30 days after the day the request for the declaration was sent to the member,

the shares of the company held by that member shall be deemed to be held in contravention of the charter until a declaration satisfactory to the board has been submitted to it.

- (4) It is a condition of
- (a) every subscription for a share of the company;
  - (b) registration of shares represented by a bearer share certificate; and
  - (c) every transfer of a share to be made or recorded in a register of members of the company,

that the subscriber, bearer or transferee shall, at the request of the board, submit to it a declaration to the same effect as the declaration referred to in subsection (2).

(5) Subject to subsection (7), where the board has requested a declaration under subsection (4), it shall not accept a subscription for a share of the company, register shares represented by a bearer share certificate or allow a transfer to be made or recorded in a register of members of the company unless

- (a) the declaration has been submitted to the board; and
- (b) it appears from the declaration that the subscriber, bearer or transferee would not, by the acceptance of the subscription for the shares subscribed for, the registration of the shares represented by the bearer share certificate or the entry in a register of members of the shares being transferred, hold those shares in contravention of the charter.

(6) Where, in the case of a subscription for, registration of or transfer of shares of the company, it appears to the board that the total number of shares held by the subscriber, bearer or transferee, as shown by a register of members of the company, would not exceed 20,000 if the subscription were accepted, the registration completed or the transfer allowed, the board is entitled to assume

- (a) that the subscriber, bearer or transferee is not and will not be associated or deemed to be associated with another holder of shares of the company; and
- (b) unless the address to be recorded in the register of members of the company for the subscriber, bearer or transferee is outside Canada, that the shares will not be held in contravention of the charter.

(7) Where there is a subscription for shares of the company pursuant to an offer of shares by way of rights granted by the company to holders of its shares to purchase additional shares, the company may count as shares issued and outstanding all the shares included in the offer.

1977-47-11; 1978-28-2.1; 1979-5-5.

#### **No voting rights if excess shareholdings**

**12.** (1) Where shares of the company are held in contravention of the charter, the voting rights attaching to them shall not be exercised.

(2) Shares held in contravention of the charter include shares deemed to be so held.

(3) The validity of

- (a) a transfer of shares of the company that has been made or recorded in a register of members of the company;
- (b) the acceptance of a subscription for shares of the company; or
- (c) the registration of shares that were represented by a bearer share certificate,

is not affected by the fact that those shares are held in contravention of the charter.

(4) Where voting rights pertaining to shares of the company held in contravention of the charter are exercised at a general meeting of the shareholders of the company, no proceeding, matter or thing at the meeting is void for that reason; but the proceeding,

matter or thing is, at any time within one year after the commencement of the general meeting at which the voting rights were exercised, voidable at the option of the board by a resolution of the board.

1977-47-12; 1979-5-6.

### Order for disposal of excess shareholdings

**13.** (1) Where voting shares are held in contravention of the charter, the company may, on notice to the persons and in the manner directed by the board, require the holder of the voting shares to dispose of them to another person who may hold voting shares, within the period, not less than 60 days, limited by the notice.

(2) Where voting shares referred to in subsection (1) have not been disposed of within the time limited by the notice, the company may, at its option and at any time while those shares continue to be held in contravention of the charter, redeem them for cancellation on

- (a) deposit by the company of the amount of their redemption price in a special account with a savings institution; and
- (b) giving notice of redemption to the persons and in the manner prescribed by the articles, including notice of the deposit referred to in paragraph (a),

and, on the giving of the notice, the rights of the holder and beneficial owner of them shall cease, except the right of a beneficial owner to receive out of the amount so deposited, without interest, the redemption price payable with respect to the shares on presentation and surrender of the certificates representing the shares.

(3) Interest payable by the savings institution on the deposit made under subsection (2) (a) shall be paid to the company.

(4) Notwithstanding the *Company Act*, the company

- (a) is not bound to see to the application of the amount deposited or to the execution of a trust, whether express, implied or constructive in respect of voting shares redeemed for cancellation under this section; and
- (b) is not estopped by certificates outstanding in respect of voting shares redeemed for cancellation.

(5) The powers of the company under this section may be exercised at its option; but where voting shares have, to its knowledge, been held in contravention of the charter for 10 years or a lesser period fixed by the articles, the company shall, in the manner provided by this section, redeem those voting shares for cancellation.

(6) For the purposes of this section, the redemption price of voting shares shall be the lowest of

- (a) the issue price per share on the initial issue of shares of that class;
- (b) the closing price per share of the shares of that class on the stock exchange designated by the board on the business day immediately preceding the date of giving notice of redemption;
- (c) if there is no sale of them on that stock exchange on that business day, the average of the closing asked price and the closing bid price of them on that exchange on that business day; or
- (d) if no bid price and asked price of them on that exchange are quoted for that business day, the last closing sale price of them on that exchange recorded before that business day.

(7) This section and section 6 shall be set out in each share certificate issued by the company representing a voting share or by a writing attached to the share certificate.

(8) Shares redeemed under this section do not reduce the total number of issued and outstanding voting shares for the purposes of sections 6 and 16.

1977-47-13.

#### **Determination of excess shareholdings**

**14.** In determining for the purposes of this Act whether or not

- (a) shares are held in contravention of the charter;
- (b) a person is a resident of Canada;
- (c) an individual is a Canadian citizen;
- (d) a member is associated with another member; or
- (e) a corporation is, directly or indirectly, controlled by persons who are not residents of Canada,

or any other circumstances relevant to the performance of the duties of the board under this Act, the company and a director, officer, employee or agent of the company may rely on

- (f) a statement made in a declaration submitted under section 11; or
- (g) the knowledge of a director or officer of the circumstances,

and the company, directors, officers, employees or agents are not liable in an action for anything done or omitted by them in good faith as a result of conclusions made by them on the basis of the statement or knowledge.

1977-47-14.

### **PART 4**

#### **Directors' qualifications**

**15.** (1) Subject to the *Company Act*, an individual who

- (a) is a Canadian citizen; and
- (b) otherwise qualifies under the articles,

is qualified to be a director of the company.

(2) An individual ceases to be a director if he ceases to be qualified under subsection (1).

(3) At least 60% of the members of the board shall at all times be residents of the Province.

(4) A member of the Legislative Assembly is not eligible to be appointed as a senior officer, as defined in the *Company Act*, or to be elected or appointed or to act as a director of the company.

1977-47-15.

#### **Crown appointment of directors**

**16.** (1) So long as the Crown in right of the Province owns or controls 10% or more of the issued and outstanding voting shares, notwithstanding the *Company Act* or the charter, the Crown in right of the Province shall not vote its shares for the election of directors; but the minister may annually, with the approval of the Lieutenant Governor in Council and effective at the time the annual general meeting is held, by notice in writing to the company, appoint

(a) one director if the number of directors on the board is 4 or less;  
(b) 2 directors if the number of directors on the board is 5, 6, 7 or 8; and  
(c) 3 directors if the number of directors on the board is more than 8,  
and may, by similar notice, remove those persons so appointed.

(2) An appointment under subsection (1) shall be made by notice in writing to the company at least 45 days before the date of the annual general meeting.

(3) Where a director appointed to the board under this section ceases to be a director the minister may, by notice in writing, appoint a person to replace him.

(4) Directors appointed under this section cease to hold office, unless reappointed for a further term, at the time the directors elected at the next annual general meeting assume office.

(5) For the purpose of this section, the board shall notify the minister at least 56 days before the date of the annual general meeting.

(6) If the Crown in right of the Province holds less than 10% of the voting shares, it may vote its shares in the ordinary way for the election of directors.

1977-47-16.

## PART 5

### Shares held for Her Majesty

**17.** (1) The Crown in right of the Province shall dispose of, to the company on the coming into force of this section, the assets and rights in the Schedule, on the terms and conditions and at the price, if any, prescribed by the Lieutenant Governor in Council, and shall accept the equivalent value in shares or securities of the company.

(2) A share or security held by or for the Crown in right of the Province other than those referred to in section 2 (3) shall be registered in the records of the company in the name of Her Majesty the Queen in right of British Columbia, and the voting rights attached to the shares or securities shall be exercised by the minister or his proxy in accordance with this Act and the regulations.

(3) The Minister of Finance may, with the approval of the Lieutenant Governor in Council, dispose of a share or security held by or for the Crown in right of the Province.

1977-47-17.

### Shareholdings of Crown

**18.** The company may, notwithstanding the *Company Act*, redeem for cancellation voting shares held by or on behalf of the Crown in right of the Province at a price per share agreed on between the company and the Minister of Finance and approved by the Lieutenant Governor in Council.

1977-47-18.

## PART 6

### Bearer shares

**19.** (1) The company, if so authorized by its articles, and in accordance with their terms, may issue a bearer share certificate certifying that the bearer of the certificate is the holder of the shares specified in it, and may provide, by legend, coupon or otherwise, for the payment of dividends on the shares specified in the certificate.

(2) A bearer share certificate issued by the company and signed as required by subsection (4) is proof of due allotment and issue of the shares specified in it as fully paid and nonassessable and of the title of the bearer to the shares.

(3) The articles may also provide that the bearer of a bearer share certificate, if not prohibited under Part 2 of this Act from purchasing, owning or holding shares of the company, is entitled, on surrendering share certificates, in bearer or registered form, representing at least a minimum number of shares specified in the articles or a smaller number as may be authorized by the board, to have his name entered as a member in a register of members and to receive a registered share certificate representing the shares held by him.

(4) Every bearer share certificate shall contain

- (a) the name of the company and the words “Incorporated in the Province of British Columbia” or, if it is the case, “Amalgamated in the Province of British Columbia”;
- (b) the number and class and, if applicable, series of shares and whether the shares are with or without par value and, if with par value, their par value;
- (c) the date of issue of the bearer share certificate;
- (d) the number or other designation by which the bearer share certificate is identified; and
- (e) a reference to a place where the bearer may inspect the *Company Act* and charter,

and shall be signed by the facsimile signature of at least one officer or director of the company, and if so signed shall be valid as if signed manually, and in addition to bearing the facsimile signature may be signed manually by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the company.

(5) The bearer of a bearer share certificate shall not by reason of being the bearer of the certificate be or be deemed to be a member of the company under this Act or the *Company Act* and in particular shall not be entitled as such to receive notice of or to attend any meeting of members or to vote as a member.

(6) Notwithstanding subsection (5), sections 25, 37 (4), 45, 55, 84, 150 (5), 188 (2), 202 (5), 224 (1), (2), (3) and (5), 225, 230 (1), 233, 246, 265 (1), 275 to 278, 286, 295, 296, 306 (d), 310 (1) (b), 313, 314 and 362 of the *Company Act* apply in respect of the bearer of a bearer share certificate in the same way as they apply in respect of a member, but

- (a) the bearer may only exercise a right given by those sections where he proves that at the relevant time he owned the shares represented by the certificate; and
- (b) this subsection does not give the bearer any voting right.

(7) Notwithstanding subsection (5), sections 13, 258 and 275 of the *Company Act* apply in respect of the bearer of a bearer share certificate as if he were a member.

(8) Subject to this Act, section 12 of the *Company Act* applies in respect of the bearer of a bearer share certificate as if he were a member.

(9) Sections 48 to 54, 58 to 70 and 306 (c) of the *Company Act* do not apply in respect of bearer share certificates of the company or the shares specified in them and section 49 (1) does not apply in respect of additional shares of the company purchased for delivery with the free shares.

(10) The shares specified in a bearer share certificate may be transferred by delivery of the certificate.

(11) On the issue of a bearer share certificate in respect of shares previously entered in a register of members, the company shall remove from the register the share or shares specified in the bearer share certificate and shall enter in such register the following particulars:

- (a) the bearer share certificate number;
- (b) the date of the bearer share certificate;
- (c) the number of shares specified in the bearer share certificate.

1979-5-7.

### **Sections of *Company Act* excluded**

**20.** Sections 173, 195 (4), 196, 219 (2), 261 (1) and 318 of the *Company Act* do not apply to the company.

1979-5-7.

### **Disposal of undistributed assets**

**21.** (1) In the application of section 129 of the *Company Act* to the company, the reference in it to 12 months shall be read as a reference to 24 months.

(2) Where the company distributes among the bearers of bearer share certificates money or assets in specie, including dividends or the proceeds of a redemption or reduction of capital, and a bearer has not presented his bearer share certificate in order to receive the money or assets distributable in respect of the shares represented by it within 72 months after the date when the distribution or payment is first available on presentation of bearer share certificates, the company shall publish a statement with respect to bearer share certificates, of

- (a) the amount of money or the assets retained;
- (b) the amount of money or assets due in respect of each share represented by a bearer share certificate;
- (c) the procedure for a bearer to claim the unclaimed money or assets; and
- (d) the date, not earlier than 60 days nor later than 120 days after the publication, on which the company will pay or deliver the money and assets to the Minister of Finance.

(3) On the date specified under subsection (2) (d) the company shall pay or deliver the unclaimed money or assets to the Minister of Finance and he shall give the company a receipt for them, which shall be an effectual discharge to it for them.

(4) Section 129 (2) of the *Company Act* applies to money and assets paid or delivered to the Minister of Finance under this section.

1979-5-7.

### **Powers of court**

**22.** (1) Where for any reason the Supreme Court determines that it is impracticable to call a general meeting or a class meeting of the company in the manner in which meetings of a company are normally called, or to conduct or continue the meeting or adjourned meeting in the manner specified by the articles or the *Company Act*, or for any other reason the court considers appropriate, the court may, on application of the company, a director, a member entitled to vote at the meeting, or on its own motion, order that the business required to be transacted at the meeting or the votes to be cast at it be transacted or taken in a manner specified by the directors or that a general meeting or a class meeting of the company be called, held and conducted in

the manner the court considers appropriate, and may give directions it considers necessary.

(2) Business transacted, votes taken or meetings called, held and conducted in accordance with an order under subsection (1) shall be deemed to be transacted at, taken at or to be a general meeting or a class meeting of the company duly called, held and conducted.

1979-5-7.

### **Ss. 175 to 181 of *Company Act***

**23.** (1) Where the board determines that the cost of producing and mailing the notice of meeting, information circular and form of proxy referred to in sections 175 to 181 of the *Company Act* is excessive or for any other reason considers it appropriate the company may, instead of mailing the notice of meeting, information circular and form of proxy, publish them in each county of the Province, in a daily or weekly newspaper published and circulating there, or may publish or distribute them in the manner the Supreme Court orders, on application of the company.

(2) While 10% or more of the issued shares of any class are represented by bearer share certificates, the company shall, for the purpose of informing the bearers of proposed material changes in the capital, business or board, publish in each county, in a daily or weekly newspaper published and circulating there, extracts from information circulars sent to its members by management.

1979-5-7.

### **Inspection of accounting records**

**24.** Subject to the articles or an ordinary resolution, the directors may determine to what extent, at what times and places and under what conditions the accounting records of the company shall be open to the inspection of members and the bearers of bearer share certificates.

1979-5-7.

### **Publication of financial statement**

**25.** (1) The company shall, at least 10 days before the date of its annual general meeting, either

- (a) mail to the auditor and to each member at his latest address as shown on the register of members a copy of the financial statement referred to in section 169 of the *Company Act* and the report of the auditor on it, and, while 10% or more of the issued shares of any class are represented by bearer share certificates, publish a copy of the financial statement or a summary of it and the report of the auditor on it if the report is qualified; or

- (b) publish the copy or summary and the auditor's report, if it is qualified.

(2) The company shall, on demand by a bearer of a bearer share certificate or a debentureholder of the company, furnish him with a copy of its latest financial statement and a copy of the report of the auditor on it.

(3) "Publish" in this section and in sections 21, 26, 28 and 30 means publish

- (a) in each county, in a daily or weekly newspaper published and circulating there; and
- (b) if the directors think fit elsewhere and in such manner as the directors may specify.

1979-5-7.

**Publication of interim financial statement**

**26.** The company may publish the comparative interim financial statement referred to in section 197 (2) of the *Company Act* instead of sending it to every member.

1979-5-7.

**Auditor not disqualified**

**27.** Notwithstanding any other Act, the application for or the holding of free shares by any person does not make an auditor of the company not independent of the company, or an auditor of an affiliate of the company not independent of that affiliate.

1979-5-7.

**Amendment of financial statements and report**

**28.** (1) Where facts described in section 219 (1) (a) and (b) of the *Company Act* come to the attention of the auditor of the company, he shall, if in his opinion it is necessary, amend his report on the financial statement referred to in section 169 of the *Company Act* so that it complies with Part 6 of the *Company Act*.

(2) The directors shall either

(a) mail to the members, and, while 10% or more of the issued shares of any class are represented by bearer share certificates, publish a copy of the amended report and a statement explaining the effect of the amendment on the financial position and results of the operations of the company; or

(b) publish the amended report and the statement referred to in paragraph

(a).

1979-5-7.

**Dissent by bearer**

**29.** Section 231 of the *Company Act* applies to a bearer of a bearer share certificate of the company as if he were a member except that where he gives notice of dissent he shall state in it his name and address, the number of shares in respect of which he is exercising his right and the certificate numbers of the bearer share certificates representing those shares.

1979-5-7.

**Notice of meeting**

**30.** A notice of a general meeting of the company to consider a resolution as a result of which a notice of dissent may be filed by a bearer of a bearer share certificate shall be published with a statement advising the bearer of his right to give a notice of dissent, the procedure to be followed by him and the consequences of giving the notice.

1979-5-7.

**Shares to be purchased pro rata**

**31.** (1) Where a proposed purchase by the company of its shares

(a) is not to be made through a stock exchange; or

(b) is not to be made from a bona fide employee or bona fide former employee of the company, or of an affiliate of the company, or his personal representative, in respect of shares beneficially owned by the employee or former employee,

the company shall, subject to subsection (2), make its offer to purchase pro rata to every member who holds shares of the class or series to be purchased.

(2) Where the shares of a class or series proposed to be purchased under subsection (1) include shares represented by bearer share certificates the directors shall apportion the offer between the members and the bearers of bearer share certificates based on the respective holdings of shares of the class or series and shall

- (a) make the offer for members' shares pro rata to each member who holds shares of the class or series; and
- (b) make the offer for bearers' shares to the bearers pro rata to each bearer in the proportion that the number of shares apportioned to bearers is of the total number of shares represented by bearer share certificates outstanding at the commencement of the offer, and, if any shares remain after a stipulated expiration date, then pro rata to members.

1979-5-7.

#### **Amalgamation and bearers**

**32.** Section 273 of the *Company Act* applies to a bearer of a bearer share certificate of the company as if he were a member, except that where he gives a notice specified in section 273 (2) of the *Company Act* he shall state in it his name and address, the number of shares in respect of which he is exercising his right and the certificate numbers of the bearer share certificates representing those shares.

1979-5-7.

#### **Unclaimed or undistributed assets**

**33.** (1) Where a liquidator has or controls any unclaimed or undistributed assets or money of the company that have remained unclaimed or undistributed for more than 6 months after the date on which any dividend declared by him became payable, the liquidator shall publish in one or more newspapers selected by him a statement of

- (a) the assets or money unclaimed or undistributed;
- (b) the assets or money due on each share of the company;
- (c) the procedure required to claim the assets or money; and
- (d) the date, not earlier than 60 days or later than 120 days after the publication, on which the liquidator will pay or deliver the assets or money to the Minister of Finance.

(2) On the date specified under subsection (1) (d) the liquidator shall pay or deliver the unclaimed assets or money to the Minister of Finance with a statement showing, to the extent known to him, the full names and last known addresses of the persons appearing to be entitled to the assets or money, the amount to which each appears to be entitled and a list of the bearer share certificates identified by number in respect of which assets or money have not been claimed. The Minister of Finance shall give him a receipt which shall be an effectual discharge to him for them.

(3) The Minister of Finance may, in respect of money or assets paid or delivered to him under this section, invest the money or realize the assets and invest the proceeds. The money so received or realized by him shall be deemed to be unclaimed money deposits within the meaning of the *Unclaimed Money Act*, and that Act applies to them.

1979-5-7

#### **Nature of bearer shares**

**34.** The rights of and restrictions on bearers of bearer share certificates are not special rights or restrictions under the *Company Act*, and the shares represented by bearer share certificates are not a separate class of shares under that Act.

1979-5-7.

**PART 7****Free shares: special provisions**

**35.** (1) Every individual who is authorized under a regulation to apply for free shares has been since March 14, 1979, and continues to be, notwithstanding Part 2 of this Act, eligible to acquire and own free shares and additional shares of the company to be delivered with free shares, and has had since March 14, 1979, and continues to have, capacity to give a power of attorney for those purposes.

(2) Every individual has, on and after his 16th birthday, notwithstanding that he has not reached the age of majority, but subject to Part 2 of this Act, capacity to acquire, own and dispose of shares of the company.

(3) Provision may be made by regulation for individuals who are, or would but for this section be, under a disability or who lack capacity. The regulations may

- (a) prescribe how and under what circumstances the individuals may exercise their rights to acquire, own and dispose of shares;
- (b) provide for assistance, advice and counselling for the individuals; and
- (c) authorize the Public Trustee or other persons to acquire and dispose of shares on their behalf.

1979-5-7.

**Issue of shares at \$6**

**36.** The offer, sale, allotment and issue of shares of the company at the offered price of \$6 a share to individuals who purchase shares of the company to be delivered with free shares shall be deemed to be in the best interests of the company, and to be in compliance with this Act and sections 42 and 43 of the *Company Act*.

1979-5-7.

**Rescission**

**37.** Other than as set out in the *British Columbia Resources Investment Corporation (Amendment) Act*, 1979, section 18.28 (1) to (5), no right of rescission exists at law, in equity or under any enactment in respect of a contract to purchase additional shares of the company to be delivered with free shares.

1979-5-7.

**Late delivery of share certificates**

**38.** The Crown in right of the Province, the company or a person acting as agent for either is not liable for loss suffered by an applicant for free shares or by a purchaser of additional shares of the company to be delivered with free shares, caused by delay in the delivery to the applicant or purchaser of share certificates for the shares.

1979-5-7.

**PART 8****Winding up**

**39.** Proceedings to wind up the company under Part 9 of the *Company Act* are, notwithstanding the *Company Act*, invalid unless approved by the Lieutenant Governor in Council.

1977-47-19.

**This Act paramount**

- 40.** This Act prevails where there is a conflict between this Act and
- (a) the *Company Act* as it applies to the company;
  - (b) the articles; or
  - (c) the memorandum of the company.

1977-47-20.

**Securities Act**

**41.** The registration provisions of the *Securities Act* do not apply to savings institutions in the Province in respect of the primary distribution to the public of the first offering of shares of the company.

1977-47-21.

**Authorized investments**

- 42.** Shares of the company are authorized for the investment of
- (a) money owned by a trust company as defined in the *Trust Company Act*;
  - (b) funds of a Provincial company as defined in the *Insurance Act*; and
  - (c) funds of a trust of which at least one trustee is a trust company as defined in the *Trust Company Act*, except where a contrary intention appears in the trust instrument.

1979-5-8.

**No disqualification**

**43.** (1) Except where a regulation provides otherwise, the holding of any office or employment does not prevent an individual from holding shares of the company.

(2) The holding of shares of the company or voting at any meeting of the company does not disqualify an individual from any office or employment, prevent him acting in it or make him ineligible for it.

(3) "Office" in this section includes membership of the Legislative Assembly.

(4) In this section "office or employment" does not include the office or employment of auditor in relation to the company under section 207 of the *Company Act*.

(5) This section applies notwithstanding any other enactment.

1979-5-9.

**False information**

**44.** (1) A person who, having furnished false information in an application for shares of the company, obtains free shares or additional shares of the company pursuant to that application, commits an offence and is liable to a fine of not more than \$2,000.

(2) A person who obtains free shares or additional shares of the company to be delivered with them

(a) while he is not entitled to do so; or

(b) pursuant to an application in which he furnished false information shall return the shares to the Crown in right of the Province or if the shares are not held by him shall pay to the Crown an amount equal to the current fair market value of the shares, and the Crown may recover the amount by action as a simple contract debt due to the Crown.

(3) In an action under subsection (2) to recover shares or their value, the certificate of the Minister of Finance that a person was not entitled to obtain free shares or to purchase additional shares of the company to be delivered with them is proof that he was not entitled.

1979-5-10

### Regulations

**45.** The Lieutenant Governor in Council may make regulations.

1977-47-23

### Transitional

**46.** For all purposes connected with

(a) the offer, allotment, issue and holding of free shares under a regulation; and

(b) the offer, sale, allotment, issue and holding of shares of the company to be delivered with free shares at the offered price of \$6 a share,

the amendments made by the *British Columbia Resources Investment Corporation Amendment Act*, 1979 shall be deemed to have come into force on March 1, 1979 and are retroactive to the extent necessary to make them effective for those purposes on and after that day.

1979-5-10

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## SCHEDULE

1 Shares and securities representing the interest of the Crown in right of the Province in

- (a) Canadian Cellulose Company Ltd ,
- (b) Plateau Mills Ltd ,
- (c) Kootenay Forest Products Ltd ,
- (d) Westcoast Transmission Company Limited

2 Notwithstanding the *Petroleum and Natural Gas Act*, the leases, licences, reservations or permits respecting petroleum or natural gas rights that the Lieutenant Governor in Council determines, on the terms and conditions he approves