



## CHAPTER 58.

An Act to Incorporate "The British Columbia Mills, Timber  
and Trading Company."

[26th April, 1890.]

**W**HEREAS the Royal City Planing Mills Company, Limited, and Preamble.  
the Hastings Saw Mill Company, Limited, and John Hendry,  
David McNair and C. M. Beecher, of the City of New Westminster,  
and David Oppenheimer, Campbell Sweeny, Richard H. Alexander, of  
the City of Vancouver, British Columbia, shareholders in the said  
Companies, have by their petition represented that they are desirous  
that the said John Hendry, David McNair, C. M. Beecher, David  
Oppenheimer, Campbell Sweeny and Richard H. Alexander should be  
incorporated under the name of "The British Columbia Mills, Timber  
and Trading Company," for the purpose of acquiring the shares in the  
capital, and the business, property and privileges, and also of assuming  
the liabilities of the "Royal City Planing Mills Company, Limited,"  
and the "Hastings Saw Mill Company, Limited," respectively, and to  
provide for the said Companies being merged therein and extinguished,  
and of acquiring other powers in their petition mentioned and herein  
referred to, and have prayed that an Act of Incorporation be granted  
to them with appropriate powers, and it is expedient to grant the  
prayer of the said petition:

Therefore, Her Majesty, by and with the advice and consent of the  
Legislative Assembly of the Province of British Columbia, enacts as  
follows:—

1. The said John Hendry, David McNair, C. M. Beecher, David Incorporation.  
Oppenheimer, Campbell Sweeny and Richard H. Alexander, together  
with such persons and corporations as shall become shareholders in the  
Company hereby incorporated, are hereby constituted a body corporate  
and politic by the name of "The British Columbia Mills, Timber and  
Trading Company," hereinafter called "the Company," and are hereby

vested with all the powers, privileges and immunities which are incident to a trading corporation, or, when not inconsistent with this Act, are expressed or included in the "Interpretation Act, 1872," or are necessary to carry into effect the objects and intentions of this Act. No shareholder shall be in any manner liable or charged with the payment of any debt or demand due by the said Corporation beyond the amount of his, her or their subscribed share or shares in the capital stock of the Company.

Head office.

2. The chief place of business of the Company shall be in the City of Vancouver, in the Province of British Columbia, or such other place in British Columbia or elsewhere as may be determined from time to time by the Company in General Meeting specially called for that purpose.

Capital stock.

3. The capital of the Company shall be two million five hundred thousand dollars (with power to increase), divided into twenty-five thousand shares of one hundred dollars each, and such portion thereof as may be necessary shall be applied in payment of the costs and expenses of and incidental to the incorporation of the Company, and any expenses that may be incurred by the Provisional Directors.

Provisional directors.

4. The said John Hendry, David McNair, C. M. Beecher, David Oppenheimer and Campbell Sweeny shall be and are hereby constituted Provisional Directors of the Company, of whom three shall form a quorum for the transaction of business, and they shall hold office until other Directors shall be appointed or elected under this Act, and shall have power to open the share books and procure subscriptions of shares for the undertaking.

First general meeting for election of directors.

5. When and so soon as five thousand of the shares of the capital shall have been subscribed and one-tenth of the amount thereof paid into any chartered bank either at Vancouver or New Westminster, or partly in each, the Provisional Directors shall, within one month thereafter, order a General Meeting of shareholders to be called at the office of the Company at such time as they think proper, giving at least three weeks' notice thereof in one or more newspapers published in the cities of Vancouver and New Westminster, and by a circular letter mailed to each shareholder, at which meeting the shareholders present in person or by proxy shall elect Directors, who shall hold office until the others shall have been elected in their stead.

Notice of same.

Annual general meeting.

6. After the first General Meeting of the Company, a General Meeting of shareholders shall be held once at least in every year.

Power to borrow money.

7. The Company shall be entitled to borrow money on mortgage, or bond or debenture, or bond secured by mortgage, if deemed necessary;

and also to pledge or deposit any bonds or debentures as security for money owing by the Company or to be advanced on security of their bonds or debentures.

8. The Company are hereby granted the following powers and Other powers. privileges, viz. :—

- (a.) To purchase, take over or otherwise acquire the shares in the capital, and all or any of the business, property, rights and privileges of the “Royal City Planing Mills Company, Limited,” at New Westminster and elsewhere, and the “Hastings Saw Mill Company, Limited,” at the City of Vancouver and elsewhere, and the whole or any part of the good-will, stock-in-trade, timber leases, timber limits, assets and property, real and personal, of the said companies respectively, subject to the obligations, if any, affecting the same respectively, and to pay the price thereof wholly or partly in cash, or wholly or partly in debentures of the Company, or otherwise, and to undertake, assume, guarantee or pay all or any of the obligations, liabilities, contracts and engagements of the said companies respectively, and also the obligations affecting the assets and property so purchased or acquired by them, and to operate and carry on the business of the said mills respectively : Provided, the property so acquired as aforesaid shall continue to be subject, except as to or against a bona fide purchaser for value, to the debts, liabilities and engagements of the said two companies, respectively, at the time of the Company acquiring the same respectively :
- (b.) To acquire, by purchase or otherwise, build and operate, equip and maintain, mills, factories and machine-shops of any description, steam-vessels and other vessels of any description, railways, tramways, wharves, canals and ferries, and to dispose of the same or any interest therein by sale or otherwise ; and also to charge and collect towage, transport, wharfage and other dues from any person or persons making use of any of the Company’s property, rights and privileges, on or for which dues are usually charged or collected by persons carrying on any of the several branches of business which the Company are by this Act authorized to engage in :
- (c.) To acquire, by purchase or otherwise, and construct roads, dams, bridges, aqueducts, flumes, slides, &c., and to dispose of the same or any interest therein by sale or otherwise :
- (d.) To acquire, by purchase or otherwise, leases of timber and other lands, timber limits, timber, booming and rafting privileges, and to dispose of the same or any interest therein by sale or otherwise :

- (e.) To hold lands and dispose of the same or any interest therein by sale or otherwise :
- (f.) To acquire, by purchase or otherwise, and to develop, work and operate gold, silver, iron, coal and other mines, ores, minerals and quarries, and to dispose of the same :
- (g.) To acquire, by purchase or otherwise, gold, silver, iron, coal, and other ores and minerals, logs, timber, lumber, and merchandise of any description, bills of lading, bills of exchange, promissory notes and securities for money, and to dispose of the same :
- (h.) To exercise and carry on the business of mill owners (saw, grist or other mills), timber and lumber merchants in all its branches, manufacturers, wharfingers, and carriers, and to conduct and carry on a shipping, towing and general trading business, and to undertake agencies and conduct financial business of any kind otherwise than that of banking or insurance :
- (i.) To take, or otherwise acquire, shares in any boom or harbour, river, streams, or canal improvement company, and to sell or otherwise deal with the same :
- (j.) To make, do, execute and perform all such acts, deeds, covenants, matters and things as the Company may deem necessary, incidental or otherwise, conducive to the attainment of all or any of the above objects, or to the conversion or disposition of any security or property held by the Company.

When property of  
Royal City Planing  
Mills Company to be  
vested in this com-  
pany.

9. When and so soon as the shares and property, real and personal, rights and privileges, of the said Royal City Planing Mills Company, Limited, or such portions thereof respectively as can be disposed of without the consent of any other person, shall have been purchased or otherwise acquired by the Company, the same shall become vested in the Company for all the estate, title and interest therein respectively of the said Royal City Planing Mills Company, Limited, but subject, nevertheless, except as to and against bona fide purchasers for value, to the debts, liabilities and engagements in sub-section (a) of the last preceding section mentioned, and as soon thereafter as the debts and liabilities of the Royal City Planing Mills Company, Limited, have been paid or otherwise discharged and all of the real and personal property of such Company shall have been acquired by the Company, the said Royal City Planing Mills Company, Limited, shall be deemed to be and shall be extinguished.

When property of  
Hastings Saw Mill  
Company to be vested  
in this company.

And when and so soon as the shares and property, real and personal, rights and privileges, of the said Hastings Saw Mill Company, Limited, or such portions thereof respectively as can be disposed of without the consent of any other person, shall have been purchased or otherwise acquired by the Company, the same shall become vested in the Com-

pany for all the estate, title and interest therein respectively of the said Hastings Saw Mill Company, Limited, but subject nevertheless, except as to and against bona fide purchasers for value, to the debts, liabilities and engagements mentioned in said sub-section (a.), and so soon thereafter as the debts and liabilities of the Hastings Saw Mill Company, Limited, have been paid or otherwise discharged, and all of the real and personal property of such Company shall have been acquired by the Company, the said Hastings Saw Mill Company, Limited, shall be deemed to be and shall be extinguished.

**10.** The by-laws or regulations set forth in Schedule "A" to this Act shall be deemed to be by-laws and regulations of the Company, and shall have the same force and validity as if incorporated in this Act, but the Company may, subject to the provisions of this Act and the said by-laws or regulations, from time to time, in general meeting, by passing a special resolution in manner hereinafter mentioned, alter or modify all or any of the by-laws or regulations contained in the said schedule, or make new by-laws or regulations to the exclusion of, or in addition to, all or any of the by-laws or regulations of the Company, and any by-laws or regulations so made by special resolution shall be deemed to be by-laws or regulations of the Company, of the same validity as if they had been originally contained in the said Schedule, and shall be subject in like manner to be altered or modified by special resolution.

**11.** A resolution passed by the Company shall be deemed to be special whenever a resolution has been passed by a majority of not less than three-fourths of such members of the Company for the time being entitled, according to the regulations of the Company, to vote, as may be present in person or by proxy (in cases where by the regulations of the Company proxies are allowed) at any general meeting, of which notice specifying the intention to propose such resolution has been duly given, and such resolution has been confirmed by a majority of such members for the time being entitled, according to the regulations of the Company, to vote, as may be present in person or by proxy, at a subsequent general meeting, of which notice has been duly given, and held at an interval of not less than fourteen days, nor more than one month from the date of the meeting at which such resolution was first passed. At any meeting mentioned in this section, unless a poll is demanded by at least five members, a declaration of the Chairman that the resolution has been carried shall be deemed conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the same. Notice of any meeting shall, for the purposes of this section, be deemed to be duly given, and the meeting to be duly held, whenever such notice is given and meeting held in manner prescribed by the regulations of the Company. In

By-laws, &amp;c.

Resolutions and  
votes of share-  
holders.Notice of general  
meeting.

computing the majority under this section, when a poll is demanded, reference shall be had to the number of votes to which each member is entitled by the regulations of the Company.

Regulations as to  
voting, meetings,  
&c.

**12.** In default of any regulations as to voting, every member shall have one vote; and in default of any regulations as to summoning general meetings, a meeting shall be held to be duly summoned of which seven days' notice in writing has been served on every member in manner in which notices are required to be served by the by-laws or regulations of the Company; and in default of any regulations as to the persons to summon meetings, five members shall be competent to summon the same; and in default of any regulations as to who is to be the Chairman of such meeting, it shall be competent for any person elected by the members present to preside.

Certified copy of  
special resolutions to  
be recorded by Regis-  
trar, and to be evi-  
dence in Courts.

**13.** Any special resolution passed by the Company shall not have any force or effect until a copy thereof, certified by the chairman of the meeting and the secretary, and under the seal of the Company, has been delivered to or received by the Registrar of Joint Stock Companies to be recorded by him, and any copy thereof, duly certified under the hand and seal of such Registrar, shall be admitted and received as evidence of the said by-laws or regulations, and of their contents, in any Court of the Province of British Columbia, and for all purposes, without proof of the signatures of the chairman and secretary.

Promissory notes,  
&c.

**14.** A promissory note or bill of exchange shall be deemed to have been made, accepted or endorsed on behalf of the Company if made, accepted or endorsed in the name of the Company by any person acting under the authority of the Company, or if made, accepted or endorsed by or on behalf or on account of the Company by any person acting under the authority of the Company.

Powers of attorney  
to execute deeds.

**15.** The Company may, by instrument in writing under its common seal, empower any person, either generally or in respect of any matters, as its attorney to execute deeds on its behalf; and every deed signed by such attorney on behalf of the Company and under his seal shall be binding upon the Company, and have the same effect as if it were under the common seal of the Company.

Service of documents  
on company.

**16.** Any summons, notice, order or other document required to be served upon the Company may be served by leaving the same or sending it through the post in a pre-paid letter, addressed to the Company at their chief place of business or head office.

Service by post and  
proof of same.

**17.** Any document to be served by post on the Company shall be posted in such time as to admit of its being delivered in the due course of delivery within the period (if any) prescribed for the service thereof;

and in proving service of such document it shall be sufficient to prove that such document was properly directed, and that it was put as a pre-paid registered letter into the post office.

**18.** Any summons, notice, order or proceeding requiring authentication by the Company may be signed by any director, secretary, or other authorized officer of the Company, and need not be under the common seal of the Company, and the same may be in writing or in print, or partly in writing and partly in print.

Authentication of documents by company.

**19.** This Act may be cited for all purposes as "The British Columbia Mills, Timber and Trading Company's Act, 1890."

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## SCHEDULE "A."

### SHARES.

1. If several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividend payable in respect of such share.

2. Every member shall, on payment of fifty cents, or such less sum as the Company in general meeting may prescribe, be entitled to a certificate, under the common seal of the Company, specifying the share or shares held by him and the amount paid up thereon.

3. If such certificate is worn out or lost, it may be renewed, on payment of fifty cents, or such less sum as the Company in general meeting may prescribe.

### CALL ON SHARES.

4. The directors may, from time to time, make such calls upon the members in respect of all moneys unpaid on their shares as they think fit, provided that there be an interval of not less than ninety days between each call, and that thirty days' notice be given of each call, and also that (after sixty-five dollars per share has been called) no more than one dollar per share shall be called at any one time.

5. A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed.

6. If the call payable in respect of any share is not paid before or on the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest for the same at the rate of eight per cent. per annum from the day appointed for payment thereof to the time of the actual payment.

7. The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon

the shares held by him beyond the sums actually called for ; and upon the moneys so paid in advance, or so much thereof as from time to time exceeds the amounts of the calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the directors agree upon.

#### TRANSFERS OF SHARES.

8. The instrument of transfer of any share in the Company shall be executed both by the transferrer and the transferee, and the transferrer shall be deemed to remain a holder of such share until the name of the transferee is entered in the register book in respect thereof.

9. Shares in the Company shall be transferred in the following form :—

I, \_\_\_\_\_, of \_\_\_\_\_, in consideration of the sum of \_\_\_\_\_, do hereby transfer to the said \_\_\_\_\_ the share (or shares) numbered \_\_\_\_\_ standing in my name in the books of the British Columbia Mills, Timber and Trading Company, to hold unto the said \_\_\_\_\_ his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said \_\_\_\_\_, do hereby agree to take the said share (or shares) subject to the same conditions. As witness our hands, the \_\_\_\_\_ day of \_\_\_\_\_

10. The Company may decline to register any transfer of shares made by a member who is indebted to them or on which any call made, although not then due, has not been paid.

11. The transfer books shall be closed during the fourteen days immediately preceding the ordinary general meeting in each year.

#### TRANSMISSION OF SHARES.

12. The executors or administrators of a deceased member shall be the only persons recognized by the Company as having any title to his share.

13. Any person becoming entitled to a share in consequence of the death, bankruptcy, or insolvency of any member, or in consequence of the marriage of any female member, may be registered as member upon such evidence being produced as may, from time to time, be required by the Company.

14. Any person who has become entitled to a share in consequence of the death, bankruptcy or insolvency of any member, or in consequence of the marriage of any female member, may, instead of being registered himself, elect to have some person to be named by him registered as a transferee of such share.



15. The person so becoming entitled shall testify such election by executing to his nominee an instrument of transfer of such share.

16. The instrument or transfer shall be presented to the Company, accompanied with such evidence as the directors may require to prove the title of the transferrer, and thereupon the Company shall register the transferee as a member.

#### FORFEITURE OF SHARES.

17. If any member fails to pay any call on the day appointed for payment thereof, the directors may, at any time thereafter, during such time as the call remains unpaid, serve a notice on him, requiring him to pay such call, together with interest and any expenses that may have accrued by reason of such non-payment.

18. The notice shall name a further day on or before which such call and all interest and expenses that have accrued by reason of such non-payment are to be paid. It shall also name the place where payment is to be made (the place so named being either the head office of the Company or some other place at which calls of the Company are usually made payable). The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made will be liable to be forfeited.

19. If the requisitions of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, interests, and expenses due in respect thereof has been made, be forfeited by a resolution of the directors to that effect.

20. Any share so forfeited shall be deemed to be the property of the Company, and may be disposed of in such manner as the Company in general meeting thinks fit.

21. Any member whose shares have been forfeited shall notwithstanding be liable to pay to the Company all calls owing upon such shares at the time of the forfeiture.

22. A statutory declaration in writing, that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made and that the forfeiture of the share was made by a resolution of the directors to that effect, shall be sufficient evidence of the facts therein stated, as against all persons entitled to such share; and such declaration, and the receipt of the Company for the price of such share, shall constitute a good title to such share, and a certificate of proprietorship shall be delivered to a purchaser, and thereupon he shall be deemed the holder of such share discharged from all calls due

prior to such purchase, and he shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity in the proceedings in reference to such sale.

#### CONVERSION OF SHARES INTO STOCK.

23. The directors may, with the sanction of the Company previously given in general meeting, convert any paid-up shares into stock.

24. When any shares have been converted into stock the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which any shares in the capital of the Company may be transferred, or as near thereto as circumstances admit.

25. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock; and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company, and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company; but so that none of such privileges or advantages, except the participation in the dividends and profits of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such privileges or advantages.

#### INCREASE IN CAPITAL.

26. The directors may, with the sanction of a special resolution of the Company previously given in general meeting, increase its capital by the issue of new shares, such aggregate increase to be of such amount, and to be divided into shares of such respective amounts, as the Company in general meeting directs, or, if no direction is given, as the directors think expedient.

27. Subject to any direction to the contrary that may be given by the meeting that sanctions the increase of capital, all new shares shall be offered to the members in proportion to the existing shares held by them; and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on the receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company.

28. Any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the same provisions with reference to the payment of calls and the forfeiture of shares on non-payment of calls, or otherwise, as if it had been part of the original capital.

29. After the first general meeting, subsequent general meetings shall be held at such time and place as may be prescribed by the Company in general meeting; and if no other time or place is prescribed a general meeting shall be held on the second Monday in every year, at such place as may be determined by the directors.

30. The above-mentioned general meetings shall be called ordinary meetings, all other general meetings shall be called extraordinary.

31. The directors may, whenever they think fit, and they shall, upon a requisition made in writing by not less than one-fifth in number of the members of the Company, convene an extraordinary general meeting.

32. Any requisition made by the members shall express the object of the meeting proposed to be called, and shall be left at the chief place of business or head office of the Company.

33. Upon the receipt of such requisition the directors shall forthwith proceed to convene an extraordinary general meeting. If they do not proceed to convene the same within twenty-one days from the date of the requisition, the requisitionists, or any other members amounting to the required number, may themselves convene an extraordinary general meeting.

#### PROCEEDINGS AT GENERAL MEETINGS.

34. Seven days' notice, at the least, specifying the place, the day, and the hour of meeting, and, in case of special business, the general nature of such business, shall be given to the members in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in general meeting; but the non-receipt of such notice by any member shall not invalidate the proceedings at any general meeting.

35. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of sanctioning a dividend, and the consideration of the accounts, balance sheets, and the ordinary report of the directors.

36. No business shall be transacted at any general meeting, except the declaration of a dividend, unless a quorum of members representing three-fourths of the shares in the capital of the Company for the time being, subscribed for, is present at the time when the meeting proceeds to business; and such quorum shall be ascertained as follows, that is

to say, if the persons who have taken shares in the Company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten, there shall be added to the above quorum one for every five additional members up to fifty, and one for every ten additional members after fifty, with this limitation, that no quorum shall in any case exceed twenty.

37. If within one hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum is not present, it shall be adjourned *sine die*.

38. The chairman (if any) of the Board of Directors shall preside as chairman at every general meeting of the Company.

39. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose some one of their number to be chairman.

40. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

41. At any general meeting, unless a poll is demanded by at least five members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of the proceedings of the Company, shall be sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

42. If a poll is demanded by five or more members, it shall be taken in such manner as the chairman directs, and the result of such poll shall be deemed to be the resolution of the Company in general meeting; the chairman shall be entitled to a second or casting vote.

#### VOTE OF MEMBERS.

43. Every member shall have one vote for every share.

44. If any member is a lunatic or idiot, he may vote by his committee, curator bonis, or other legal curator.

45. If one or more persons are jointly entitled to a share or shares, the member whose name stands first in the register of members as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

46. No member shall be entitled to vote at any general meeting unless all calls due from him have been paid, and no member shall be

entitled to vote in respect of any share that he has acquired by transfer at any meeting held after the expiration of three months from the passage of the Act of Incorporation of the Company unless he has been possessed of the share in respect of which he claims to vote for at least two months previously to the time of holding the meeting at which he proposes to vote.

47. Votes may be given either personally or by proxy.

48. The instrument appointing a proxy shall be in writing, under the hand of the appointer, or, if such appointer is a corporation, under the common seal, and shall be attested by one or more witness or witnesses. No person shall be appointed a proxy who is not a member of the Company.

49. The instrument appointing a proxy shall be deposited at the chief place of business or head office of the Company not less than twenty-four hours before the time for holding the meeting at which the person named in such instrument proposes to vote, but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

50. Any instrument appointing a proxy shall be in the following form :—

“The British Columbia Mills, Timber and Trading Company.”

I, \_\_\_\_\_, of \_\_\_\_\_, being a member of the British Columbia Mills, Timber and Trading Company, and entitled to \_\_\_\_\_ vote or \_\_\_\_\_ votes, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, as my proxy to vote for me and on my behalf at the (ordinary or extraordinary, as the case may be) general meeting of the Company, to be held on the \_\_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof (or at any meeting of the Company that may be held in the year \_\_\_\_\_). Signed by the said \_\_\_\_\_ in the presence of \_\_\_\_\_

#### DIRECTORS.

51. The number of the directors and the names of the first directors shall be determined by the Company in general meeting.

52. No person shall be eligible for election to the office of a director who does not hold ten shares in the capital of the Company.

53. The future remuneration of the directors, and their remuneration for services performed previously to the first general meeting, shall be determined by the Company in general meeting.

#### POWER OF DIRECTORS.

54. The business of the Company shall be managed by a Board of Directors, who may carry on the same in accordance with the Act of Incorporation and the by-laws for the time being of the Company, in

such manner as in their judgment and discretion they may think expedient. The board may, in so doing, in addition to the powers and authorities expressly conferred upon them, exercise all such powers of the Company, and do all such acts and things as are not by the aforesaid Act or by-laws directed or required to be exercised or done by the Company in general meeting; subject, nevertheless, to any regulation of the said by-laws and to the provisions of the Act of Incorporation and to such regulations (being not inconsistent with the aforesaid provisions or regulations) as may be prescribed by the Company in general meeting; but no regulations made by the Company in general meeting shall invalidate any prior act of the board which would have been valid if such regulations had not been made.

55. In particular, and without prejudice to the generality of the last preceding article, the board may, in the management of the business of the Company, but nevertheless subject to the provisions of the Act of Incorporation and to the restriction hereinafter contained, without any further power or authority from the members, immediately after the passage of the Act of Incorporation, and notwithstanding that the nominal capital may have been only partially subscribed commence business and do the following things in the name and on behalf of the Company:—

- (a.) They may pay all expenses of and incidental or preliminary to the formation and incorporation of the company, and procuring its capital to be subscribed:
- (b.) They may affix the seal to and execute all agreements, conveyances, mortgages, bonds, debentures, exchanges, leases and other deeds and documents which they may think necessary:
- (c.) They may contract for, purchase and take over, in the name of the Company, all the property and all or any of the shares in the capital of the said "Royal City Planing Mills Company, Limited," and the "Hastings Saw-mill Company, Limited," respectively, notwithstanding such shares or any of them be held by members of the board:
- (d.) They may give time to any debtor of the Company:
- (e.) They may from time to time raise or borrow, in the name or on behalf of the Company, such sums of money as they may think expedient, by way of mortgage or by debentures, obligations, bonds, debenture stock, or by pledge or deposit of their bonds or debentures, or in such other manner, for such time, at such rate of interest and on such terms as they may deem expedient: Provided that the amount borrowed by the Company shall not, without the sanction of an extraordinary general meeting, exceed at any one time the sum of eight hundred thousand dollars, or one-third of the capital:

- (f) They may, with the sanction of the Company in extraordinary general meeting, borrow such further sum or sums of money beyond the said sum of eight hundred thousand dollars as such meeting may authorize:
- (g.) They may make, accept, draw or endorse any promissory note, bill of exchange, bankers' draft, bill of lading, or other such like instrument on behalf of the Company and in the ordinary course of business, subject to such regulations as the board may from time to time determine on:
- (h.) They may appoint and remove such secretaries, managers, surveyors, solicitors, bankers, agents, officers and servants as they may think fit:
- (i.) The board, and any committee duly appointed by the board, may (subject as herein appears), at their absolute discretion, do and perform every act and thing which they may judge necessary or expedient for the purposes of carrying on the business of the Company, except any such act or thing as by these by-laws or the Act of Incorporation is prohibited: Provided always that if and whenever, by these by-laws or by the Act of Incorporation, the previous sanction of a general meeting is required, they shall not act without such sanction.

56. The continuing directors may act, notwithstanding any vacancy in their body.

#### DISQUALIFICATION OF DIRECTORS.

57. The office of director shall be vacated—

If he ceases to hold ten shares in the capital of the Company.

If he becomes bankrupt or insolvent.

If he is concerned in or participates in the profits of any contract with the Company.

But the above rules shall be subject to the following exceptions: That no director shall vacate his office by reason of his being a member of any Company which has entered into contracts with, or done any work for, the Company of which he is director; nevertheless he shall not vote in respect of such contract or work, and if he does so vote, his vote shall not be counted.

#### ROTATION OF DIRECTORS.

58. At the first ordinary meeting the whole of the directors shall retire from office; and at the first ordinary meeting in every subsequent year one-third of the directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third shall retire from office.

59. The one-third or other nearest number to retire during the first and second years ensuing the first ordinary meeting of the Company

shall, unless the directors agree among themselves, be determined by ballot. In every subsequent year the one-third or other nearest number who have been longest in office shall retire.

60. A retiring director shall be re-eligible.

61. The Company at the general meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons.

62. If at any meeting at which an election of directors ought to take place the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week, at the same time and place; and if at such adjourned meeting the places of the vacating directors are not filled up, the vacating directors, or such of them as have not had their places filled up, shall continue in office until the ordinary meeting in the next year, and so on from time to time until their places are filled up.

63. The Company may, from time to time, in general meeting increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to go out of office.

64. Any casual vacancy occurring in the Board of Directors may be filled up by the directors, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

65. The Company in general meeting may by a special resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall hold office during such time only as the director in whose place he was appointed would have held the same if he had not been removed.

#### PROCEEDINGS OF DIRECTORS.

66. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A director may at any time summon a meeting of the directors.

67. The directors may elect a chairman at their meetings and determine the period for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present at the time appointed for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.



68. The directors may delegate any of their powers to committees, consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

69. A committee may elect a chairman of their meetings. If no such chairman is elected, or if he is not present at the time appointed for holding the same, the members present shall choose one of their number to be chairman of such meeting.

70. A committee may meet and adjourn as they think proper; questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.

71. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been appointed and was qualified to be a director.

#### DIVIDENDS.

72. The directors may, with the sanction of the Company in general meeting, declare a dividend, to be paid to the members in proportion to their shares.

73. No dividends shall be payable except out of the profits arising from the business of the Company.

74. The directors may, before recommending any dividend, set aside out of the profits of the Company, such sum as they think proper as a reserved fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining the works connected with the business of the Company, or any part thereof; and the directors may invest the sum so set apart as a reserved fund upon such securities as they may select.

75. The directors may deduct from the dividends payable to any member all such sums of money as may be due from him to the Company on account of calls or otherwise.

76. Notice of any dividend that may have been declared shall be given to each member in manner hereinafter mentioned; and all dividends unclaimed for ten years after having been declared may be forfeited by the directors for the benefit of the Company.

77. No dividend shall bear interest as against the Company.

## ACCOUNTS.

78. The directors shall cause true accounts to be kept :  
Of the stock-in-trade of the Company ;  
Of the sums of money received and expended by the Company,  
and the matter in respect of which such receipt and expenditure takes place ; and  
Of the credits and liabilities of the Company.

The books of account shall be kept at the head office of the Company, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Company in general meeting, shall be open to the inspection of the members during the hours of business.

79. Once at the least in every year the directors shall lay before the Company, in general meeting, a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

80. The statement so made shall show, arranged under the most convenient heads the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expense of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting ; and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

81. A balance sheet shall be made out in every year and laid before the Company in general meeting, and such balance sheet shall contain a summary of the property and liabilities of the Company arranged under appropriate heads.

82. A printed copy of such balance sheet shall, seven days previous to such meeting, be served on every member, in the manner in which notices are hereinafter directed to be served.

## AUDIT.

83. Once at the least in every year the accounts of the Company shall be examined, and the correctness of the balance sheet ascertained, by one or more auditor or auditors.

84. The first auditors shall be appointed by the directors. Subsequent auditors shall be appointed by the Company in general meeting.

85. If only one auditor is appointed, all the provisions herein contained relating to auditors shall apply to him.

86. The auditors may be members of the Company; but no person is eligible as an auditor who is interested otherwise than as a member in any transaction of the Company, and no director or other officer of the Company is eligible during his continuance in office.

87. The election of auditors shall be made by the Company at their ordinary meeting in each year.

88. The remuneration of the first auditors shall be fixed by the directors; that of subsequent auditors shall be fixed by the Company in general meeting.

89. Any auditor shall be re-eligible on his quitting office.

90. If any casual vacancy occurs in the office of any auditor appointed by the Company, the directors shall forthwith call an extraordinary general meeting for the purpose of supplying the same.

91. If no election of auditors is made in manner aforesaid, the Board of Trade of Vancouver may, on the application of not less than five members of the Company, appoint an auditor for the current year, and fix the remuneration to be paid to him by the Company for his services.

92. Every auditor shall be supplied with a copy of the balance sheet, and it shall be his duty to examine the same, with the account and vouchers relating thereto.

93. Every auditor shall have a list delivered to him of all books kept by the Company, and shall at all reasonable times have access to the books and accounts of the Company. He may, at the expense of the Company, employ accountants or other persons to assist him in investigating such accounts, and he may, in relation to such accounts, examine the directors or any other officer of the Company.

94. The auditors shall make a report to the members upon the balance sheet and accounts, and in every such report they shall state whether, in their opinion, the balance sheet is a full and fair balance sheet, containing the particulars required by these regulations, and properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs; and in case they have called for explanations or information from the directors, whether such explanations or information have been given by the directors, and whether they have been satisfactory; and such report shall be read, together with the report of the directors, at the ordinary meeting.

## NOTICES.

95. A notice may be served by the Company upon any member either personally or by sending it through the post, in a pre-paid letter, addressed to such member at his registered place of abode.

96. All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members; and notice so given shall be sufficient notice to all the holders of such share.

97. Any notice, if served by post, shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of the post; and in proving such service it shall be sufficient to prove that the letter containing the notices was properly addressed and put into the post office.

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