

**ORGANIZATION**

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### **EXPLANATION**

In Alberta, Accredited Users, who are employed by some law firms or by private Accredited Service Providers, electronically incorporate all for profit corporations. When an Alberta corporation has been incorporated (see the **Incorporation** chapter), the Service Provider forwards the following *Incorporation Documents* to the corporation or its agent:

- the *Certificate of Incorporation*, which contains the corporation's:
  - name;
  - incorporation date; and
  - corporate access number (the corporate access number for Alberta for profit corporations begins with the number "20");
- the *Articles of Incorporation* with any schedules attached;
- the *Incorporate Alberta Corporation – Registration Statement*, with any schedules attached.

The next step is **organization**. This process includes the preparation of:

- the *Minute Book*;
- the resolutions and other documents required to organize the corporation;
- the *By-Laws*;
- the *Securities Registers, Directors/Officers Register, Stated Capital Register* and *Disclosure Register*;
- a report to the client on the corporation's incorporation and organization; and
- extraprovincial registration in one or more jurisdictions, if applicable.

When preparing the documents, follow the instructions received from the client (see the *Incorporation Information* form) or from the responsible solicitor.

The documents described in the **Incorporation** chapter and the **Organization** documents described in this chapter are some of the documents (or records) that the Corporation is required to keep at its records office in Alberta (s. 21(1)). These records may be kept in paper, electronic or microfilm form. If the records are kept in paper form, they should be in a bound or loose-leaf form (s. 24(1)). The records are generally kept in a binder called the *Minute Book*. The records must be kept in a manner that will allow them to be inspected and copied as set out under the Act. For a detailed list and explanation regarding records, see the **Records** chapter.

The Incorporator(s) of a corporation may be one or more persons;<sup>(1)</sup> however, in this chapter, for purposes of simplicity, the Incorporator is referred to as an individual in the singular.

In most cases, when a law firm is retained to incorporate a corporation, the Incorporator is either:

<sup>(1)</sup> The definition of "person" in the Act includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative (s. 1(x));

- the client;
- one of the proposed directors; or
- the supervising solicitor.

The method that is chosen will dictate which documents need to be prepared.

- If the **client is the Incorporator**, the client will:
  - advise the law firm of the name(s) and address(es) of the first director(s);
  - sign the *Articles of Incorporation*, the *Notice of Address* and the *Notice of Directors*; and
  - generally remain as a director of the corporation after incorporation.

Sometimes it is inconvenient for the client to sign the incorporation documents so the **supervising solicitor** will be the **Incorporator**. If the **supervising solicitor** also acts as a first director he/she will usually resign as first director immediately following Incorporation and appoint a new director or directors.

The **Incorporator** is defined as a person who signs the *Articles of Incorporation* and is not deemed to be the first director of the corporation. The **Incorporator** can be one of the directors listed in the *Notice of Directors* electronically registered on incorporation with the Registrar of Corporations for Alberta or another individual designated by the client or the supervising solicitor. All directors of an Alberta corporation must be individuals (s. 105(1)(c)).

Although the documents dealing with the **organization** of the corporation may be signed several days or weeks after its incorporation, the general practice is to date all documents effective the incorporation date. You should consult the supervising solicitor or your corporate supervisor to determine your law firm's policy in this regard.

Please note that some of the steps in the **Procedure/Checklist** on the following pages are covered in more detail in other chapters of the *Guide* and are not repeated here. For example:

- the maintenance of the *Minute Book*, the form of *Share Certificates* and the *Registers* are described in the **Records** chapter;
- the election and appointment of the directors are described in the **Directors and Officers** chapter; and
- the issuance of shares is described in the **Share Issue** chapter.

### UNANIMOUS SHAREHOLDER AGREEMENT

Section 1(jj) defines a *Unanimous Shareholder Agreement* as:

- (a) a written agreement to which all the shareholders of a corporation are or are deemed to be parties, whether or not any other person is also a party; or
- (b) a written declaration by a person who is the beneficial owner of all the issued shares of a corporation,

that provides for any of the matters enumerated in section 146(1) of the Act.

Section 146(1) provides that a *Unanimous Shareholder Agreement* may provide for any or all of the following:

- (a) the regulation of the rights and liabilities of the shareholders, as shareholders, among themselves or between themselves and any other party to the agreement;
- (b) the regulation of the election of directors;
- (c) the management of the business and affairs of the corporation, including the restriction or abrogation, in whole or in part, of the powers of the directors;
- (d) any other matter that may be contained in a unanimous shareholder agreement pursuant to any other provision of the Act.

Under a *Unanimous Shareholder Agreement* the shareholders assume the rights, powers, duties and legal obligations that have been removed from the directors.

The two primary reasons for having a *Unanimous Shareholder Agreement* are greater shareholder control of the corporation and the protection of directors.

For example, because the Act requires that 25% of the directors of a corporation must be resident Canadians (s. 105(3)), employees of the Alberta subsidiary of a foreign corporation, or the subsidiary corporation's Alberta lawyers, may be appointed as directors to meet the quota. Since these directors generally do not act independently and simply follow directions issued by the parent corporation, it makes sense to have a *Unanimous Shareholder Agreement* that would shift the power of the directors onto the shareholder (parent corporation). This provides greater control of the Alberta subsidiary by the foreign parent, and protects the nominee directors from liability.

When shares that are subject to a *Unanimous Shareholder Agreement* are transferred, the transferee of the shares is deemed to be a party to the agreement (s. 146(2)). It is therefore prudent for the existence of the *Unanimous Shareholder Agreement* to be noted conspicuously on the share certificate. See the Records chapter for an example of the legend to include on the face of the share certificate if there is a *Unanimous Shareholder Agreement*. If a share purchaser is not aware of the existence of a *Unanimous Shareholder Agreement*, and subsequently becomes aware of it, the shareholder may rescind the transaction within 30 days after becoming aware of the *Unanimous Shareholder Agreement* (s. 146(2)(c)).

## SHAREHOLDER AGREEMENTS

If there is more than one shareholder of a corporation, and the shareholders are not planning to enter into a *Unanimous Shareholder Agreement*, the shareholders should be advised to enter into a *Shareholder Agreement*. Although the shareholders of recently incorporated startup corporations are often reluctant to invest in a *Shareholder Agreement*, it is generally less costly to negotiate and draft a *Shareholder Agreement* when the shareholders are still on good terms, than to mediate a dispute when relations have soured. A *Shareholder Agreement* governs the rights of the shareholders in relation to each other with respect to share ownership, and usually includes other items that the shareholders

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consider important. Some of the most common terms included in *Shareholder Agreements* are:

- restrictions on the transfer, issuance and redemption of shares;
- an agreement on how the shareholders (all together or as a group) will vote their shares;
- provisions for methods of dispute resolution;
- estate-planning provisions to minimize tax liability in the event of share transfers; and
- regulations regarding the operation of the corporation.

Shareholders of small businesses often view their fellow shareholders as partners and are typically very selective in choosing fellow shareholders. A *Shareholder Agreement* may prevent the transfer of shares to unknown or unwanted persons. Sometimes these transfers are involuntary, as in the case of divorce, death or bankruptcy. A *Shareholder Agreement* may provide for the automatic purchase of the shares of a shareholder upon his or her death, disability, or termination of employment.

The corporation itself may be a party to the *Shareholder Agreement* if any of the terms and conditions are binding on the corporation or enforceable by the corporation.

**PROCEDURE/CHECKLIST**

1. Obtain a *Minute Book* and divider tabs from the firm's stationery supplies and:
  - (a) prepare a memo to accounting or enter a disbursement for the cost of the *Minute Book* according to your firm's policy
  - (b) prepare a name tag for the spine for the *Minute Book*
  - (c) file the following charter documents of the corporation in the minute book:
    - (i) the *Certificate of Incorporation*;
    - (ii) the *Articles of Incorporation* and attached schedules;
    - (iii) the *Incorporate Alberta Corporation-Registration Statement* and attached schedules
  - (d) if your law firm has a system to catalogue minute books enter the corporation into your catalogue system
  
2. Prepare:
  - (a) *Minutes of Meeting of First Directors* (page 12)
  - (b) *Resignation of First Director* – if the director listed in the *Registration Statement* resigns following incorporation (page 20)
  - (c) *Consent(s) to Act as Director* (page 22)<sup>(2)</sup>
  - (d) *Shareholders Resolution* (page 18)
  - (e) *By-Laws* (page 10)
  - (f) *Subscription(s) for Shares*<sup>(1)</sup>
  - (g) *Registered Office Agreement*<sup>(3)</sup> – if the law firm will act as the agent for maintaining the corporation's registered office
  - (h) *Share Certificates*<sup>(1)</sup>
  - (i) *Notice of Directors* – Form 6 – if there is a change in directors<sup>(2)</sup>
  - (j) *Register of Directors*<sup>(2)</sup>
  - (k) *Securities Register*<sup>(3)</sup>
  
3. Determine whether the corporation will be registered extraprovincially in any other province or territory of Canada or elsewhere. If the corporation will be registered extraprovincially, see the **Extraprovincial Chapter** in Volume II of this Guide for an explanation of the registration process in the appropriate jurisdiction
  
4. Determine whether the shareholders will enter into a *Unanimous Shareholder Agreement* or a *Shareholder Agreement*. Prepare a *Sole Shareholder Declaration* if appropriate. If there is a *Unanimous Shareholder Agreement* or *Sole Shareholder Declaration*, a statement indicating that there is a *Unanimous Shareholder*

<sup>(1)</sup> see the *Share Issue* chapter

<sup>(2)</sup> see the *Directors* chapter

*Agreement or Sole Shareholder Declaration* should be inserted prominently on the face of the share certificates. See the **Records** chapter

5. Diarize the anniversary month of the corporation as *Annual Returns* must be prepared and electronically registered by the last day of the month following the anniversary month of the corporation. The first *Annual Return* is due at the end of the month following the first anniversary of incorporation of the corporation. Although the Registrar of Corporations for Alberta automatically forwards the *Annual Return* form to the corporation's registered office approximately two weeks prior to the first day of the anniversary month, you should check your diary list for that month to make sure the *Annual Return* for the corporation has been received. At this time you will prepare the annual consent resolutions or minutes of the annual general meeting that will be dated three to six months following the financial year-end of the corporation. *If the corporation actually holds a meeting there will be more required than this* (see the **Annual Maintenance** chapter)
6. If the financial year-end has not yet been decided, you must bring the file forward and follow up with the client and/or the corporation's accountant to make sure that your client has advised you of this date. If you do not have a corporate database, follow your office procedure for bringing forward files and annual maintenance dates – for example: by preparing a “to do task” organized by date or by entering the corporation's name and annual return due date in a list organized by month (see the **Annual Maintenance** chapter)
7. If the client is not signing the documents at your office, prepare the *Transmittal Letter* enclosing all documents in item 2 above, as appropriate, for the client's signature (page 26)

**Once the documents have been signed and returned to the law firm:**

8. If there is a change in directors, forward the *Notice of Directors* to an Accredited Service Provider for electronic registration by a level 1 Accredited User (see the **Directors and Officers** chapter)
9. If the corporation will be registered extraprovincially in any jurisdiction, submit the required documents and fees to either your agents in that jurisdiction or directly to the appropriate corporate registry. See the **Extraprovincial** chapter in Volume II of this Guide for more information on filing extraprovincial registrations
10. File the signed documents in the *Minute Book* as follows:

Tab in Minute Book	Documents
Certificates and Articles	<i>Certificate of Incorporation</i> <i>Articles of Incorporation</i> and attached schedules <i>Consent to Use of Name</i> (if applicable)
By-Laws	<i>By-Laws</i>
Unanimous Shareholder Agreement	<i>Sole Shareholder Declaration</i> or <i>Unanimous Shareholder Agreement</i> - if applicable
Notices Filed	<i>Incorporate Alberta Corporation – Registration Statement</i>
Shareholders Minutes/Resolutions	<i>Shareholders Resolutions</i> with the following attached – if applicable: <ul style="list-style-type: none"> <li>• <i>Resignation of Director(s)</i></li> <li>• <i>Consent to Act as Director</i></li> </ul> <i>Shareholders Resolution (Voting and Non-voting) dispensing with the appointment of Auditor</i> (if applicable)
Directors Minutes/Resolutions	<i>Minutes of Meeting of First Directors</i> with the following attached – if applicable: <ul style="list-style-type: none"> <li>• <i>Subscriptions for Shares</i></li> <li>• <i>Confirmation of Payment</i></li> <li>• <i>Share Certificate exhibit(s)</i></li> </ul>
Share Certificates	<i>Share Certificates</i>

11. If there are extraprovincial registrations, generally the law firm inserts a tab with the name of the appropriate jurisdiction in the Minute Book and inserts the extraprovincial registration documents under the tab. Some law firms prefer to set up a separate Minute Book for each extraprovincial jurisdiction in which the corporation registered. Other law firms keep the extraprovincial registration documents and all documents relating to the registration of the corporation in that jurisdiction in a file folder kept for that purpose
12. Prepare the *Report Letter* to the client (page 28)
13. Prepare a *Statement of Account* or arrange with your accounting department to prepare a statement of account for the incorporation, organization and extraprovincial registration(s), if applicable, (a precedent for this account is not included in this chapter)
14. If an auditor was appointed and a *Notice of Appointment as Auditor* was prepared, forward the Notice to the auditor





## **BY-LAWS**

### **General Notes**

A corporation is not required to have *By-Laws*, but most corporations adopt *By-Laws* as a practical means of setting out the rules and regulations governing the operation of the corporation. Section 104(1)(a) allows the directors to make *By-Laws* at the organizational meeting to be held after the incorporation of the corporation. Section 102(2) requires that any *By-Laws* made or amended by the directors must be submitted to the shareholders for approval at the next meeting of shareholders, and the shareholders may confirm, reject or amend the *By-Laws* by ordinary resolution.

### **Preparation**

By-Laws for the corporation should set out the rules and procedures the directors determine are required for their corporation. Most law firms have standard sets of *By-Laws* but the responsible lawyer should discuss the contents of the *By-Laws* with the client to ensure that the needs of the corporation are taken into consideration.

*By-Laws* can be changed by resolution of the directors, subject to confirmation by the shareholders. A sample set of *By-Laws* has been formatted for your use and is included on the CD containing the electronic precedents included with this Guide. Most law firms have *By-Laws* in electronic format that are printed or photocopied for each corporation. Check with the supervising solicitor to determine what form of *By-Laws* your firm uses and complete as follows:

- ① Insert the incorporation date unless you are using another date for the organization of the corporation.
- ② Insert the title of the officer signing as set out in the minutes of the first meeting of the directors (i.e. “*President*” or “*Secretary*”).
- ③ If there is more than one shareholder, delete the word “*sole*” and change “*shareholder*” to “*shareholders*”. Add signing lines for each additional shareholder.

### **Processing**

Once this document is prepared, checked and approved by the supervising solicitor, it is forwarded to the corporation for signature – see the *Transmittal Letter (Forwarding Documents for Signature)*, unless the client is signing the documents at your office.

Make one copy for the file.

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BY-LAWS<sup>(1)</sup>

{NAME OF CORPORATION}

ENACTED by the Board on ①{Date} and signed for identification by the ②

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②President

CONFIRMED by the ③sole shareholder in accordance with the Act on ①{Date}.

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③Shareholder

<sup>(1)</sup> A formatted precedent for the *By-Laws* is available on the CD containing the electronic precedents accompanying this Guide.

## **MINUTES OF MEETING OF FIRST DIRECTORS**

### **General Notes**

Section 104(1) of the Act states that following the issue of the *Certificate of Incorporation*, a meeting of the first director(s) must be held. Either the Incorporator or a first director of the corporation (s.104(3)) must call a meeting of the first directors by giving at least five days notice of the meeting to each director stating the date, time and the place of the meeting. The directors may waive notice of the meeting.

The purpose of these minutes is to complete the **organization** of the corporation in accordance with the instructions set out in the *Incorporation Information* form (see the **Incorporation** chapter).

### **Preparation**

- ① List the names of the first directors present at the meeting.
- ② Insert the names of the directors who acted as chairman and secretary of the meeting. These persons are only appointed for this meeting and will not necessarily be the persons appointed to be officers for the corporation.
- ③ If the first directors agree to waive notice of the meeting, prepare the *Waiver of Notice* (page 13) to be signed by all of the directors present at the meeting.
- ④ Insert the date of issue and the corporate access number of the *Incorporation Certificate*.
- ⑤ Check your firm's policy. If the firm usually attaches specimen *Share Certificates*, you may substitute:

*"The form of share certificate attached hereto be adopted as the form of share certificate of the Corporation."*

If there is more than one class of shares, then authorize a form for each class by designating the specimen as Exhibit I, Exhibit II etc.:

*"The forms of share certificate attached hereto as Exhibits I and II be adopted as the forms of share certificate for the Corporation for Class "A" and Class "B" Shares respectively."*
- ⑥ Insert the **number** of shares and **description** (class) of each class of shares subscribed for.
- ⑦ Insert the price per share multiplied by the number of shares taken. Check the price contained in the *Incorporation Information* form.

*Continued...*

MINUTES OF MEETING OF THE FIRST DIRECTORS  
OF  
{NAME OF CORPORATION}  
(the “Corporation”)

Present:

- ① {Name of Director}  
{Name of Director}

② {Chairman} acted as Chairman of the meeting and ② {Secretary} acted as Secretary of the meeting.

③ The following waiver of notice was signed by all directors present at the meeting:

We, the undersigned directors of {Name of Corporation} hereby consent to this meeting being held at the above-noted time and place to transact the business that may come before this meeting and any adjournment thereof and we hereby waive notice of this meeting.

\_\_\_\_\_  
{NAME OF DIRECTOR}

\_\_\_\_\_  
{NAME OF DIRECTOR}

- A. The Corporation was electronically incorporated on ④ {date} and Certificate of Incorporation with corporate access number ④ has been issued pursuant to the *Business Corporations Act* (Alberta);
- B. It is expedient for the first director(s) of the Corporation to pass resolutions with respect to the matters described herein.

UPON MOTION MADE IT WAS RESOLVED THAT:

SHARE CERTIFICATES

⑤ Share certificates representing shares in the capital of the Corporation be in a form or forms that comply with the *Business Corporations Act* (Alberta) as amended.

ISSUANCE OF SHARES

The Corporation, having received subscriptions and full payment for shares from the following persons, issue shares to the following persons at the price per share indicated:

Name of Shareholder	Number and Class of Shares	Price Per Share
{NAME OF 1 <sup>ST</sup> SHAREHOLDER}	⑥	⑦
{NAME OF 2 <sup>ND</sup> SHAREHOLDER}	⑥	⑦

*Continued...*

## **MINUTES OF MEETING OF FIRST DIRECTORS**

### **General Notes (Continued)**

Shareholders of a corporation must appoint an auditor (s. 162(1)) and the directors of the corporation are required to appoint an authorized person as the first auditor of the corporation to hold office until the first annual meeting of the shareholders (s. 104(1)(e)). However, the appointment of an auditor may be dispensed with if all the voting and non-voting shareholders of a corporation consent in writing to a resolution waiving such appointment (s. 163(1)) (see **Explanation** in the **Annual Maintenance** chapter).

### **Preparation (Continued)**

- ① Insert the **number** of shares and **description** (class) of each class of shares subscribed for.
- ② Insert the *Share Certificate* number. The first share certificate number will usually be 1, but if any classes of shares other than common are issued, the certificate number should be changed. For example, if Class A shares were taken, change the number to A1 or whatever numbering system your law firm uses. For a discussion of share certificates, and more particularly certificate numbers, see the **Records** chapter.
- ③ Change as appropriate. Check the corporation's *By-Laws* and your firm's policy. Some firms prefer to have share certificates signed by a director.
- ④ Change as appropriate. If there is more than one *By-Law*, you may substitute "*By-Laws Nos. 1 and 2*".
- ⑤ Section 114(2) of the Act provides that a majority of the directors elected constitutes a quorum. Check the *Incorporation Information* form to see if a specific number of directors will be fixed for a quorum. The *By-Laws* can set the quorum to overrule the Act if determined by the directors. Delete the heading and paragraph if you will not be fixing a quorum.
- ⑥ Delete "*a majority of directors*" and substitute the number of directors required to form a quorum if a specific number is required. If the *By-Laws* define a quorum of directors for the corporation this clause can be omitted.
- ⑦ Insert the names of the officers from the *Incorporation Information* form. Refer to the **Directors and Officers** chapter for a discussion on the qualifications of officers. Subject to the Corporation's *By-Laws* and any *Unanimous Shareholders' Agreement*, the directors may appoint Officers (s. 121(1)). There is no requirement in the Act that officers be appointed. If no officers are appointed, delete the entire paragraph, including the heading. Note the corporation's bank may require that officers be appointed.
- ⑧ Insert the date of the financial (fiscal) year-end. If the date has not yet been determined you may leave a blank space for the client to fill in the date or substitute:  
    "*The financial year-end of the Corporation will be determined at a later date.*"
- ⑨ If an auditor is to be appointed change the heading to "**AUDITOR**" and insert:  
    "*{NAME OF ACCOUNTING FIRM} is appointed as auditor of the Corporation for the first financial period.*"

*Continued...*

Minutes of Meeting of First Directors  
Page 2

**SHARE CERTIFICATES:**

The following Share Certificates be issued:

Name of Shareholder	Number and Class of shares	Cert. No.
{NAME OF SHAREHOLDER}	①	②
{NAME OF SHAREHOLDER}	①	②

③The President of the Corporation is authorized to execute the share certificates in pursuance of this resolution.

**SECURITIES REGISTER**

The securities ledgers in respect of the issue of such shares be completed and filed in the minute book of the Corporation.

**④BY-LAW NO. 1**

④By-Law No. 1 of the Corporation be enacted by the directors of the Corporation and presented to the shareholders for confirmation, following which either the President or Secretary, when appointed, is authorized and directed to sign the said By-Laws as so enacted.

**⑤QUORUM**

The number of directors required to form a quorum of the Board be fixed at ⑥a majority of directors.

**⑦ OFFICERS**

The officers of the Corporation will be as follows:

- President                      {NAME OF PRESIDENT} ⑦
- Secretary                     {NAME OF SECRETARY} ⑦

**FINANCIAL PERIOD**

The first financial period of the Corporation will end on {date} ⑧

**⑨ACCOUNTANTS**

The directors appoint {NAME OF ACCOUNTING FIRM} as the accountants of the Corporation.

*Continued...*

## **MINUTES OF MEETING OF FIRST DIRECTORS**

### **Preparation (Continued)**

- ① Insert this paragraph and the name of the corporation's bank (from the *Incorporation Information* form) if the corporation will be opening a bank account. If you have not been provided with the name of the bank, either call the client or leave a blank space and ask the client, in the *Transmittal Letter*, to complete this information.
- ② If there is only one director or officer, delete "*any one director or officer*" and substitute:  
"*The director (or: President) of the Corporation be authorized...*"
- ③ A seal is **not** mandatory under the Act. However if the corporation will be purchasing or selling land in Alberta, Alberta Registries Land Titles Office will require the corporation to apply its corporate seal. Some banks also require a corporation to have a corporate seal in order to open an account for the corporation. If the client has instructed you to order a seal, delete this paragraph and insert the following:  
  
*"The Corporation adopt a corporate seal bearing the name of the Corporation as its corporate seal; and*  
  
*The corporate seal may be affixed to any document or instrument requiring the seal of the Corporation as declared in any resolution of the directors or failing such declaration, then in the presence of {Signing Authority}."*
- ④ Insert the address of the registered office and records office if they are the same. If the records office is a different address set it out in a separate paragraph.
- ⑤ The **Agent** is usually the law firm, but some law firms use a corporate records management corporation to maintain the records of the corporations for which it acts. If that is the case, insert the name of the management corporation rather than the name of the law firm as the agent.
- ⑥ Insert the incorporation date unless you are using another date for the organization of the corporation.
- ⑦ Provide a signature(s) line for the person(s) who acted as Chairman and/or Secretary of the meeting.

### **Processing**

Once this document is prepared, checked and approved by the supervising solicitor, it is sent to the corporation for signature (if the client is not signing the documents at your office) – see the *Transmittal Letter (Forwarding Documents for Signature)*.

If a seal has been ordered, (see ③) above), affix the seal to this page.

The lawyer will want to ensure that the shareholders actually pay for the share(s) being issued (even if the consideration is only \$1.00) because a share must not be issued until the subscription price is fully paid (s. 27(3)). A copy of a cheque issued in favor of the corporation by a subscriber as payment for shares can be attached to the subscription form as proof of payment. Payment is sometimes made to the law firm. The law firm will issue a receipt as evidence that the share is fully paid. Check with the supervising solicitor or corporate supervisor as to the policy of your firm.

Make one copy for the file.



*Minutes of Meeting of First Directors*

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### ACCOUNTING RECORDS

The Financial Statements and accounting records required to be maintained pursuant to subsection 21(4) of the *Business Corporations Act* (Alberta) shall be kept at the Registered or Records Office of the Corporation or at any other place the directors determine (s. 21(7)).

#### ①BANK

{*Name of Bank*}① (the “Bank”) is appointed as the bank of the Corporation, and the form of resolution provided by the Bank is adopted as a resolution of the directors.

### SIGNING AUTHORITY FOR BANK ACCOUNT

②{*Signing Authority*} has signing authority for the Corporation's bank account and the president and secretary are authorized to give any further information, undertakings or documents as the Bank may require in connection with the account.

#### ③SEAL

The Corporation will not adopt a corporate seal at this time.

### REGISTERED AND RECORDS ADDRESS

The designation of ④{*Address of Registered and Records Office*} as the address of the Registered and Records Office of the Corporation be confirmed.

### CORPORATE RECORDS

The records the Corporation is required to maintain pursuant to subsection 21(1) of the *Business Corporations Act* (Alberta) and the required records containing minutes of meetings and resolutions of the Board and of committees of the Board be kept at the records office.

### CORPORATE RECORDS AGREEMENT

⑤The Corporation enter into an Agreement with {*Name of Agent*} with respect to the keeping of the Corporation's corporate records, the form of which is hereby approved, and any one director or officer is authorized to sign the Agreement on behalf of the Corporation.

There being no further business, the meeting adjourned {*Date*}⑥

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⑦*Chairman of the Meeting*

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⑦*Secretary of the Meeting*

## **SHAREHOLDERS RESOLUTIONS**

### **General Notes**

The shareholders resolution generally elects the directors, confirms the *By-Laws* and, if appropriate, may resolve not to appoint an auditor. Section 163(1) provides that the shareholders may resolve not to appoint an auditor, but the resolution is only valid if all shareholders (voting and non-voting) sign the resolution (s. 163(3)) and it must be passed each year by the shareholders. If no auditor was appointed in the *First Directors Resolutions* (see General Notes on page 14), the shareholders should unanimously resolve not to appoint an auditor. If the corporation has more than one class of shares and there are non-voting shareholders, a separate resolution resolving not to appoint an auditor should be prepared for signature by all the voting and non-voting shareholders. See the **Annual Maintenance chapter**.

### **Preparation**

- ① Insert the incorporation date unless you are using another date for the organization of the corporation.
- ② Delete this entire paragraph, including the heading, if an auditor will be appointed, or you will be preparing a separate resolution for both voting and non-voting shareholders (see explanation in the **General Notes** above and on page 14).
- ③ Insert the number of directors that the shareholders of the Corporation will appoint or elect.
- ④ Insert the name of the person(s) listed as director(s) on the *Registration Statement* electronically issued with the *Articles of Incorporation*. If this person will be resigning (such as when the solicitor was appointed as first director), you may add:

*“the Corporation acknowledges receipt of the resignation of {Name of Resigning Director} as first director of the Corporation and directs that the appropriate notations be made in the records of the Corporation;”*

- ⑤ Delete this entire paragraph, including the heading, if the first director did not resign or if no additional directors will be appointed. If only one new director is elected, you may substitute:
- “{Name of New Director} who has previously consented to act as director, is elected director of the Corporation until the first annual meeting or until his/her successor is elected or appointed”*

- ⑥ Insert the incorporation date unless you are using another date for the organization of the corporation.
- ⑦ Provide a signature line for each shareholder to whom shares have been issued. If a shareholder is a corporation, use the following form of execution:

*“The foregoing resolutions are consented to and adopted by the shareholder(s) entitled to vote (as is evidenced by the signature(s) of the duly authorized signing officer(s) thereof).*

{NAME OF SHAREHOLDER CORPORATION}

Per: \_\_\_\_\_

Authorized signatory

### **Processing**

Once this document is prepared, checked and approved by the supervising solicitor, it is forwarded to the corporation for signature – see the *Transmittal Letter (Forwarding Documents for Signature)*, unless the client is signing the documents at your office.

Make one copy for the file.

① **SHAREHOLDERS RESOLUTIONS**  
 OF  
{NAME OF CORPORATION}  
 (the “Corporation”)

BE IT RESOLVED that:

**BY-LAWS**

By-law No. 1 enacted by the directors of the Corporation on ①{Date} be ratified, confirmed and approved.

**②DISPENSING WITH APPOINTMENT OF AUDITOR**

No auditor be appointed for the following year

**NUMBER OF DIRECTORS**

The number of directors within the minimum and maximum number of directors be fixed at ③{Number} until otherwise resolved by the shareholders.

**FIRST DIRECTOR**

④{Name of first director}, who has previously consented to act as a director of the Corporation, is hereby confirmed as a director of the Corporation to hold office until the first annual meeting of the Corporation or until his/her successor has been duly elected, subject to the provisions of the By-Laws of the Corporation.

**⑤ELECTION OF DIRECTORS**

The following persons, who have previously consented to act as directors, are elected directors of the Corporation until the first annual meeting or until their successors are elected or appointed:

{Name of Director}  
 {Name of Director}

The foregoing resolutions are hereby consented to and adopted by the shareholders entitled to vote thereon (as is evidenced by their respective signatures hereto) effective: {Date} ⑥

---

⑦{NAME OF SHAREHOLDER}

---

⑦{NAME OF SHAREHOLDER}

## **RESIGNATION OF FIRST DIRECTOR**

### **General Notes**

If the solicitor acts as Incorporator and first director of the corporation, the resignation of the solicitor in order to appoint the client as director should be documented and the solicitor should provide the corporation with a written form of *Resignation*, and a *Notice of Change of Directors* should be prepared and filed (see the *Directors and Officers* chapter).

Many law firms have a policy that the lawyers and paralegals do not act as first director of a corporation since there are potential liabilities that can be incurred by acting as a director. An Incorporator does not incur liability, as the sole responsibility of the Incorporator is to execute the incorporation documents and an Incorporator is not automatically the first director. Check with the supervising solicitor or your corporate supervisor to determine your firm's policy on lawyers and/or paralegals acting as a first director of a corporation.

### **Preparation**

- ① Insert the date of the organization documents, which is generally the incorporation date.
- ② Insert the name of the director who is resigning (often the solicitor or paralegal).

### **Processing**

Once this document is prepared, checked and approved by the supervising solicitor, it is signed by the solicitor who acted as first director and placed in the Minute Book.

**RESIGNATION OF FIRST DIRECTOR**

To: {NAME OF CORPORATION} (the “Corporation”)

I hereby resign as the first director of the Corporation effective immediately.

Dated this ① {Date}.

\_\_\_\_\_  
② {DIRECTOR}

## **CONSENT TO ACT AS A DIRECTOR**

### **General Notes**

The election and appointment of a director is **not valid unless** he or she consents in writing to act as a director or unless the person is elected or appointed at a meeting at which he/she was present and did not refuse to hold office as a director. A written *Consent to Act as a Director* is always required if the election or appointment is made by a *Directors Resolution* (i.e. not at a meeting). The *Consent to Act as a Director* must be given before the election or within ten days after the election or appointment of the director (s. 105(5)).

Be careful that the director has consented in writing (or attended the meeting at which he or she was elected) before filing the *Notice of Change of Directors*. Because of the various circumstances under which a director can be appointed or elected many law firms make it a practice to have every person elected or appointed as a director sign a *Consent to Act as a Director*.

Pursuant to section 106(2) of the Act, the directors named in the *Registration Statement* issued on incorporation will hold office from the issue of the Certificate of Incorporation until the first meeting of shareholders.

### **Preparation**

- ① If the director will not be consenting to the holding of meetings by telephonic, electronic or other communication facility as provided in section 114(9) of the Act, delete the references to the consent of the director to such meetings.
- ② Insert the full legal name of the new director.
- ③ Insert the residential or office address of the director.
- ④ The text of section 105(1) of the Act is only included for the convenience of the person signing the *Consent to Act as a Director* since the person confirms that he or she is not disqualified under this section. If it is the policy of your law firm not to include this section, you may delete it.

**Note:** Under section 105(3) of the Act, at least 25% of the directors must be resident Canadians. For further information regarding the qualification of directors see the *Directors and Officers* chapter.

### **Processing**

A *Consent to Act as a Director* should be signed by each of the directors listed in the *Notice of Directors/Notice of Change of Directors*, unless the director or directors are solicitors at the law firm. Most law firms do not require a solicitor who is resigning immediately upon incorporation to sign a *Consent to Act as a Director*.

If additional directors are appointed by the shareholders in the *Shareholders Resolution* (page 18), a *Consent to Act as a Director* should be prepared for each additional director appointed.

Once this document is prepared, checked and approved by the supervising solicitor, it is forwarded to the corporation for signature – see *Transmittal Letter (Forwarding Documents for Signature)* (page 26). If an additional director or directors will be appointed, a *Notice of Directors/Change of Directors* must also be prepared. See the *Directors and Officers* chapter.

**CONSENT TO ACT AS A DIRECTOR,  
 ① CONSENT TO MEETINGS BY TELEPHONIC OR ELECTRONIC MEANS,  
 CERTIFICATION of QUALIFICATION TO ACT  
 and DECLARATION OF CITIZENSHIP AND RESIDENCE**

TO: {Name of Corporation} (the “Corporation”)

I hereby consent to act as a director of the Corporation and to my election or appointment from time to time as a director of the Corporation. ① I further consent to the holding of meetings of the Corporation's board of directors and of committees of its board of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

This consent will continue in effect from year to year until

- (a) the close of an annual meeting, or the completion of procedures in lieu thereof, at which my term of office as a director ends and I am not re-elected or re-appointed as a director;
- (b) my resignation as a director becomes effective; or
- (c) my written revocation of this consent is sent to the Corporation, or such later time as such revocation specifies it is to be effective.

I hereby certify that I am not disqualified under section 105(1) of the *Business Corporations Act* (Alberta) to act as a director.

I hereby declare that  I am  I am not A Canadian citizen ordinarily resident in Canada; or a permanent resident within the meaning of the *Immigration Act* (Canada) and ordinarily resident in Canada.

DATED {Date}.

\_\_\_\_\_  
 (Signature)

② \_\_\_\_\_  
 (Full Name - please print)

\*Full Address (including postal code):

③ \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*\*YOU ARE REQUIRED UNDER SECTION 113(1.1) OF THE BUSINESS CORPORATIONS ACT (ALBERTA) TO NOTIFY THE CORPORATION OF ANY CHANGE TO YOUR ADDRESS WITHIN FIFTEEN DAYS AFTER THE CHANGE.*

**④ PERSONS NOT QUALIFIED TO ACT AS DIRECTORS**

Section 105(1) of the *Business Corporations Act* (Alberta) provides that the following persons are disqualified from being a director of a corporation:

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

## SOLE SHAREHOLDER DECLARATION

### **General Notes**

A *Sole Shareholder Declaration* should be entered into when there is only one shareholder and the shareholder wishes to restrict in whole or in part the powers of the director or directors to manage the business and affairs of the corporation.

### **Preparation**

- ① Insert the name of the sole shareholder.
- ② Insert the effective date.
- ③ If the shareholder is an individual, you may substitute:

SIGNED in the presence of:	)	
	)	
_____	)	
Name	)	
_____	)	
Address	)	
_____	)	_____
	)	<i>{NAME OF SHAREHOLDER}</i>
_____	)	
Occupation	)	

### **Processing**

If the client will not be signing the documents at the law firm's offices, once this Agreement is prepared, checked and approved by the supervising solicitor, it should be sent to the corporation for signature – see the *Transmittal Letter (Forwarding Documents for Signature)* (page 26). Obtain instructions from the supervising solicitor as to the arrangements for signing the agreement.



{NAME OF CORPORATION}UNANIMOUS SHAREHOLDER DECLARATION

## WHEREAS:

- A. {Name of Corporation} (the “Corporation”) was incorporated under the laws of the Province of Alberta;
- B. {Name of the Shareholder} (the “Shareholder”) is the registered and beneficial owner of all the issued and outstanding shares in the capital of the Corporation;
- C. Pursuant to sections 1(jj)(ii) and 146(1) of the *Business Corporations Act* (Alberta) the Shareholder desires to make a written declaration that restricts in whole or in part the powers of the directors to manage or supervise the management of the business and affairs of the Corporation:

## NOW THEREFORE IT IS DECLARED:

1. The powers of the directors and all other persons who may hereafter be elected or appointed as directors of the Corporation to manage or supervise the management of the business and affairs of the Corporation are hereby wholly restricted and the Shareholder hereby assumes all rights, powers and duties of the directors and all other persons who may hereafter be elected or appointed as directors of the Corporation and all obligations and liabilities relating to such rights, powers and duties.
2. The directors and all other persons who may hereafter be elected or appointed as directors of the Corporation are hereby wholly relieved of all duties and liabilities imposed upon them as directors of the Corporation.
3. The rights, powers and duties assumed by the Shareholder under this Declaration shall be exercised or performed to the extent appropriate by instrument in writing executed by the Shareholder and any transferee of any shares of the Corporation registered in the name of the Shareholder. Subject to the Act, such transferee is deemed to be a party to this Declaration.
4. In the event of any conflict between the provisions of this Declaration, on the one hand and the *Articles* and *By-Laws* of the Corporation on the other, the provisions of this Declaration shall govern. The Shareholder agrees to vote or cause to be voted the shares owned by him so as to cause the *Articles* or *By-Laws* or both, as the case may be, to be amended to resolve any such conflict in favour of the provisions of this Declaration.
5. All share certificates of the Corporation shall bear a conspicuous notation to the effect that the rights and obligations of the holders of such certificates are affected by the terms of this Declaration.

Dated the {Date}

{Name of Shareholder}

③ {Name of Shareholder}

By: \_\_\_\_\_  
Authorized Signatory(ies)

## **TRANSMITTAL LETTER** **(Forwarding Documents for Signature)**

### **General Notes**

The *Transmittal Letter* should be prepared if the client is not signing the organization documents at the law firm's office.

### **Preparation**

- ① Copy the date and the corporate access number (upper right hand corner) from the *Certificate of Incorporation*.
- ② Omit if consents in writing have already been obtained from all directors.
- ③ Insert the names of the shareholders.
- ④ Omit if **no** new directors have been appointed or if the responsible solicitor will sign the form. For a form of *Notice of Directors/Notice of Change of Directors*, see the **Directors and Officers** chapter.
- ⑤ List the numbers of the share certificates, the corresponding name of each shareholder and the number and class of shares taken by such shareholder (as shown on the share certificate).
- ⑥ Omit if the law firm is not appointed as the registered office of the corporation or if the law firm or agent does not require a *Registered Office Agreement*.

### **Processing**

Ensure that all enclosures are attached and that a copy of the letter and each enclosure is on file.

Diarize for two weeks.

File No. \_\_\_\_\_

(*date*)

(*name and address of client*)

Dear Sirs:

Re: *{Name of Corporation}* (the “Corporation”)

We are pleased to report that the Corporation was electronically incorporated as a non-distributing corporation under the *Business Corporation Act* (Alberta) on *{Date}*① under *Certificate of Incorporation* with corporate access number①.

In order to organize the Corporation, we have prepared and enclose the following documents for signature and return to our office:

1. By-Laws;
2. ②A Consent to Act as Director for each of *{Names of New Directors}*;
3. Share Subscriptions from ③*{Names of Shareholders}*;
4. Minutes of Meeting of First Directors;
5. Shareholders Resolutions;
6. ④ Notice of Directors/Notice of Change of Directors;
7. Share Certificate numbers: ⑤
8. ⑥ Agreement to act as Registered Office and to maintain records.

Please ensure that full payment for the shares being issued is made to the Corporation on or before the date of issuance. We would suggest that evidence of such payment and evidence of payment for all future issuances be kept in the Minute Book or other safe place.

We recommend you return the Share Certificates to us for safekeeping with the Corporation’s corporate records; however, if you wish to retain your certificates, please sign and detach the certificate stubs and return them to us along with copies of the signed certificates.

We trust you will find the enclosed documents in order. If you have any questions relating to the organization, operation or legal requirements of the Corporation please let us know.

When all organizational matters are completed, we will provide you with a comprehensive reporting letter to assist you in the operation of the Corporation.

Yours truly,

*{NAME OF LAW FIRM}*

## **REPORT TO CLIENT**

### **General Notes**

When the organization documents have been signed, returned to the law firm and, if applicable, you have arranged for electronic registration of a *Notice of Directors/Notice of Change of Directors* showing the new directors, prepare a *Report to Client*. Some firms also prepare a document brief for the client containing copies of the various incorporation and organization documents of the corporation.

### **Preparation**

- ① Copy the date from the *Certificate of Incorporation*.
- ② Copy the corporate access number from the *Certificate of Incorporation*.
- ③ Delete this paragraph if the corporation will not be registering extraprovincially in any jurisdiction, or you may substitute:

*“We have not yet received your instructions to extraprovincially register the Corporation in {Jurisdiction}. We look forward to your further instructions in this regard.”*

- ④ Insert the jurisdiction (or jurisdictions) in which the Corporation has been extraprovincially registered, the date of registration and the name of the Corporations Act in that jurisdiction.

*Continued...*

File No. \_\_\_\_\_

{Date}

{Name and Address of Client}

Dear Sirs:

**Re:** {Name of Corporation} (the “Corporation”)

We are pleased to report on the incorporation and organization of the Corporation.

### **Incorporation**

The Corporation was incorporated as a non-distributing corporation under the *Business Corporations Act* (Alberta) (the “Act”) on ① {date} with corporate access number ②. For your records, we enclose copies of:

- (a) the Certificate of Incorporation;
- (b) the Articles of Incorporation with schedules attached; and
- (c) the Registration Statement with schedules attached.

③ The Corporation was also registered extraprovincially in ④ {Jurisdiction} on ④ {Date} under the ④ {Name of Act} Act and a certificate of extra provincial registration was issued numbered {Number}. We are enclosing a copy for your records.

In accordance with statutory requirements, we have conducted a computer name search for conflicting names recorded in the Alberta Registrar of Corporations database of corporate names, trade names, partnership names and federal corporate names maintained for this purpose under the Act. We enclose a copy of the NUANS search for your reference. The name search system is neither exhaustive nor conclusive, and the name may possibly be subject to challenge in the future. If representations are made and proven to the effect that the Corporation's name is confusing with another corporate name, business style or trademark having priority, or that its use could be contrary to the Act, the Corporation could be required to change its name to a dissimilar one.

The Corporation is required to set out its full corporate name in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation.

The Corporation is a separate legal entity capable of contracting, suing and being sued and carrying on business as an entity distinct from its owners. The Corporation must maintain its own books and records and keep accounts entirely separate from the personal accounts of the directors, officers and shareholders. Any transactions between you and the Corporation should be properly documented and you should consult with the Corporation's accountants as soon as possible regarding the setting up of the Corporation's accounts.

*Continued...*

## **REPORT TO CLIENT**

### **Preparation (Continued)**

① Copy a description of the authorized capital of the Corporation from the *Articles of Incorporation*. If the authorized capital is very long, an outline of the classes and description of the shares authorized will be sufficient (Class “A” & “B” common voting, Class “C” common non-voting, Class “D” & “E” preferred non-voting). The copy of the *Articles of Incorporation* attached to the report will set out the complete authorized capital.

② If there is only one shareholder, you may substitute:

*“The Corporation has issued {Number and Class of Shares} for the cash consideration of \${price per share}. It is our understanding that the consideration for these shares has been paid in full to the Corporation. {Name of shareholder} is the holder of these shares and share certificate {Certificate number} has been issued.”*

③ List:

- the numbers of the Share Certificates,
- the corresponding name of each shareholder;
- the number and class of shares taken by such shareholder; and
- the price per share

(copy from the Securities Register and compare to the Share Certificates in the Minute Book).

④ Check the *Articles of Incorporation* of the Corporation and confirm whether or not there are any restrictions on the transfer of shares, and adjust the wording as necessary or delete this paragraph if there are no restrictions on the transfer of shares.

⑤ Insert the address of the registered office and records office (usually the law firm).

If the records address of the corporation is **not** the same as the registered office you may add:

*“The records address of the corporation is {Records Address} and certain documents and records as set out in s. 21(1) of the Business Corporations Act (Alberta) must be maintained at the records office.”*

*Continued...*

Report to Client

Page 2

**Capacity and Powers**

The Corporation has the power and capacity of a natural person of full capacity. There are no restrictions on business in the Articles of Incorporation and therefore the Corporation may carry on any business the shareholders and directors desire.

**Authorized Capital**

The authorized capital of the Corporation, set out in full in the Articles of Incorporation, consists of: ①

The authorized capital may be amended from time to time by an appropriate special resolution of the shareholders of the Corporation and electronic registration of the amendment with the Registrar.

**Issued Capital**

②The shareholders of the Corporation, their shareholdings, the share certificates issued to them and the price per share are as set out below:

Name of Shareholder	Number and Class of Shares	Certificate No.	Price
③	③	③	③

It is our understanding that the consideration for these shares has been paid in full to the Corporation.

**Restrictions on Transfer of Shares**

④There are restrictions on shareholders' right to transfer their shares set out in the Corporation's Articles of Incorporation which give the directors the discretion to decline to register a transfer of shares.

**Registered and Records Office**

The Corporation's registered office, which is where any legal process may be served on the Corporation, has been designated as ⑤.

The records of the Corporation required by the Act to be kept are required to be kept at the records office of the Corporation, unless otherwise designated from time to time.

*Continued...*

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## **REPORT TO CLIENT**

### **Preparation (Continued)**

- ① Delete this paragraph if there is no minimum and maximum number of directors set out in the *Articles of Incorporation* and replace with:

*“Pursuant to the Articles of Incorporation the Corporation has established the number of directors as {Number} directors.”*

- ② Insert any particular provisions regarding the term of directors. You may delete this paragraph if the term of directors is not restricted in the *Articles of Incorporation* or *By-Laws* of the Corporation.
- ③ Insert the number of directors.
- ④ Insert the names of the directors from the *Registration Statement* or, from the *Change Directors – Proof of Filing*, if one is filed.
- ⑤ Insert the names of the officers and the offices held. If no officers are appointed, delete this paragraph (including the heading).
- ⑥ Insert the financial year-end date if known. If the financial year-end date has not yet been determined, you may substitute:

*“The financial year-end of the Corporation has not yet been determined. When the financial year-end has been determined, please advise us of the date to enable us to keep the records of the Corporation up to date. This also enables us to determine the appropriate date for the Corporation’s annual meeting as discussed below.”*

*Continued...*



## Report to Client

Page 3**Directors and Officers**

① Pursuant to the Articles of Incorporation the Corporation has established a minimum of *{Number}* and a maximum of *{Number}* directors.

② A director not elected for a specific term holds office until the close of the next annual shareholders meeting.

The number of directors has been determined at ③. The directors of the Corporation are as follows:

*{NAME OF DIRECTOR}* ④

*{NAME OF DIRECTOR}* ④

The board may from time to time fix the quorum required for the transaction of business at a meeting of the board, and, if not so fixed, the quorum will be a majority of the number of directors elected or appointed. The By-Laws of the corporation will set out the notice required to call a meeting of the directors. Notice of a meeting may be waived by consent in writing of all the directors.

No meeting need be held if all directors consent in writing to the business required to be transacted.

With the consent of all directors, a meeting may be held by a telephone conference call, electronic means or other communication facility that permits all participants to communicate adequately with each other during the meeting.

The Act requires that at least 25% of directors be ordinarily resident in Canada. An individual carrying out his functions as a director or officer must act honestly, in good faith and in the best interests of the Corporation and must exercise the care, diligence and skill of a reasonably prudent person.

Restrictions are imposed upon a director who encounters a conflict of interest.

**Officers**

⑤ The Officers of the Corporation are as follows:

President *{NAME}*

Secretary *{NAME}*

Vice-President *{NAME}*

**Financial Year-End**

The financial year-end of the Corporation has been set at *{Date}* ⑥.

*Continued...*

## **REPORT TO CLIENT**

### **Preparation (Continued)**

- ① If an auditor has been appointed, delete and substitute the following:  
*“The Corporation has appointed {Name of auditor} as its auditor until its first annual meeting of shareholders.”*
- ② If you have **not** been provided with the name of the corporation’s bank, delete this paragraph and replace with:  
*“If the Corporation opens a bank account, copies of the bank’s standard form of documentation should be forwarded to us for the preparation of a directors’ resolution adopting the forms.”*
- ③ If you have already received a copy of the bank’s form of directors’ resolution from the client, substitute:  
*“The Bank’s form of directors’ resolution authorizing the signing officers on the Corporation’s bank account has been filed in the Minute Book.”*
- ④ If the corporation has a seal, delete the entire paragraph and replace with the following:  
*“The Corporation has a corporate seal, an imprint of which has been affixed to the Minutes of the Meeting of the First Director(s). The corporate seal of the Corporation is presently held in our office and is available for use when needed.”*  
OR:  
*“The corporate seal of the Corporation has been forwarded to you.”*
- ⑤ Insert the provision for general signing authority of the Corporation, such as *“any director or officer”* or *“any two directors or officers”*.
- ⑥ Calculate and insert the date that is eighteen months after the date of incorporation
- ⑦. If the law firm is not the registered office omit this sentence and insert the following:  
*“It is necessary that you complete the annual return and arrange for electronic registration by an Accredited User prior to the filing deadline. If the corporation fails to file two consecutive annual returns, the corporation will be struck from the Register in Alberta by the Registrar of Corporations.”*

*Continued...*

**Report to Client****Page 4****Auditors**

① The Corporation has resolved that no auditor be appointed until its first annual meeting of shareholders.

**Banking**

②The *{Name of Bank}* has been designated as the Corporation's bank. ③In due course, please forward to us a copy of the bank's form of directors' resolution authorizing the signing officers on the Corporation's bank account for filing in the minute book.

Upon request, we will provide your bank with copies of the incorporation documents and any other documents as required.

**Corporate Seal**

④ At this time, the Corporation has not adopted a corporate seal. Please contact us if a corporate seal is required.

**Signing Authority**

Documents and instruments, other than banking documents, may be executed by any person or persons authorized by the directors. A resolution has been passed providing for such documents to be executed by ⑤.

**Annual General Meetings, Consent Resolutions and Annual Returns of Non-Distributing Corporations**

The Act provides that the Corporation must hold its first annual meeting not more than eighteen months after the date of incorporation and subsequent annual general meetings must be held not more than fifteen months after the last annual general meeting. Financial statements of the Corporation are required to be presented at each annual meeting, such statements are to be made up to a date not more than six months before the meeting. Therefore, the Corporation must hold its first annual meeting within six months of its financial year-end but no later than ⑥*{Date Eighteen Months from Incorporation Date}*. However, if all the shareholders consent to a resolution in writing for all the business required to be transacted, a meeting need not be held.

The Act also requires the Corporation to file an Annual Return on or before the last day of the month following the anniversary month of Incorporation. The Annual Return for the Corporation will be sent by the Registrar of Corporations to the registered office approximately 10 days prior to the anniversary month of incorporation. ⑦As registered office for the Corporation we will prepare and forward to you for execution the Annual Return and the necessary consent resolutions in lieu of an annual meeting at the appropriate dates.

*Continued...*

**REPORT TO CLIENT****Preparation (Continued)**

- ① If the correspondence from Canada Revenue Agency has not yet been received, substitute:

*“The Canada Revenue Agency sends material to every newly incorporated corporation. We will forward this material to you when we receive it.”*

- ② Adjust this paragraph as necessary. If your accounting department will be forwarding the account, you may substitute:

*“Our account for services rendered in this matter will follow under separate cover.”*

Report to Client

Page 5

### Financial Statements

Pursuant to Section 155 of the Act, the directors must place before the shareholders at every annual meeting financial statements for the period ending not more than six months before the annual meeting. The directors are required by section 159 of the Act, to send copies of the financial statements to each shareholder not less than 21 days prior to the annual meeting or the date of the annual resolution, unless all shareholders have informed the Corporation in writing that they do not want to receive a copy of the financial statements.

### Corporate Records

We have set up a corporate Minute Book containing all records required to be maintained pursuant to the Act. The Minute Book contains the corporate documents and information the Corporation is required to keep under the Act and all issued Share Certificates. Minutes of any meetings held by the directors of the Corporation should be forwarded to the records office for filing in the minute book.

Please review the Agreement appointing our law firm to act as Registered and Records Office and to maintain records with respect to your obligations to provide us with certain information to enable us to properly maintain the Corporation's corporate records.

### General Matters

① We enclose for your further handling correspondence received by us addressed to the Corporation from the Canada Revenue Agency.

We trust this general information will be of assistance to you in the conduct of your business.

② We take this opportunity to enclose our account for services rendered in this matter.

Please contact us if you require anything further at this time.

Yours truly,

{NAME OF LAW FIRM}

