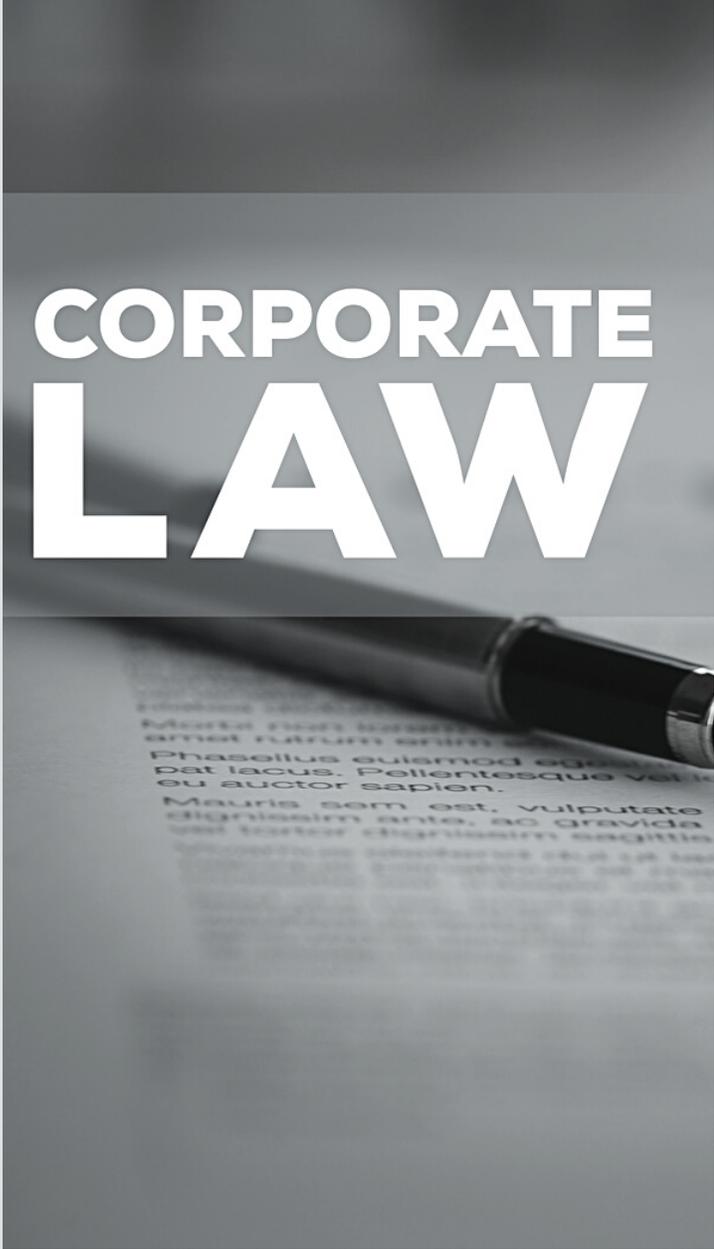


Business Law 101 Glossary

Business Life of Husband &
Wife

CORPORATE LAW



Episode 24
Business Life of
Husband & Wife



JULY 2022

Minute Book Contents

The contents of the Minute Book may vary from corporation to corporation, depending upon who has kept the corporate records organized. Generally, the Minute Book should contain:

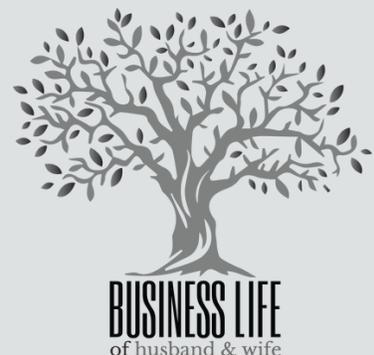
- Certificate of Incorporation and NUANS Report (all pages)**
- Shareholder Agreements**
- By-Laws**
- Subscription for Shares**
- Director Meetings/Resolutions**
- Shareholder Meetings/Resolutions**
- Register of Directors and Officers**
- Shareholder Certificates**
- Shareholder and Securities Registers**
- Annual Returns**
- Agreements, Leases and Financial Statements**

Structuring Your Alberta Corporation's Shares

Corporate share structure refers to the establishment of shares of one or more types and the issuance of some or all of those shares to shareholders. The types of shares created and issued is the corporate share structure for that company. While share structure can change, there are advantages to starting off the corporation with the right corporate share structure. Much confusion exists with the Business Corporations Act.

Capital Share Structure

This aspect of corporate share structure involves the types of shares that a company creates and issues. It is possible for a corporation to have a corporate share structure that creates a variety of shares without issuing those shares. These different types of shares issued have the label of "classes of shares". Shareholders can hold the same classes of shares as other shareholders. A single shareholder can own more than one class of shares within the corporate share structure. There are no limits to the number of different share classes a company issues.



What Are The Different Classes of Shares In Alberta?

Within corporate share structure there are two classes of shares. The first class of shares is a common share. The corporation may issue common shares as voting shares or non-voting shares. The second class of share is a preferred share. Picking the correct type of share for your situation is critical.

The articles of incorporation of the company state the rights that each share holds. To further complicate things, a corporation may have several types of the above noted shares. These are usually referred as various letters. For example there can be a Class A, B and C voting share. We suggest adding more variety of shares than you anticipate. It does not cost any more if done when incorporated, and saves work and costs later on.

Preference shares, more commonly referred to as preferred stock, are shares of a company's stock with dividends that are paid out to shareholders before common stock dividends are issued. If the company enters bankruptcy, preferred stockholders are entitled to be paid from company assets before common stockholders.

Common shares are issued to business owners and other investors as proof of the money they have paid into a company. Of all shareholders, common shareholders have the least claim on a company's assets.

Non-voting shares refer to ordinary shares of a publicly traded corporation that lack voting rights at the annual general meeting of the company.

A stock option gives an investor the right, but not the obligation, to buy or sell a stock at an agreed-upon price and date. There are two types of options: puts, which is a bet that a stock will fall, or calls, which is a bet that a stock will rise.

Although common shareholders typically have one vote per share, owners of preferred shares often do not have any voting rights at all. Typically, only a shareholder of record is eligible for voting at a shareholder meeting.

