

GUIDELINES FOR COMPLETION OF

ARTICLES OF INCORPORATION (SHARE CAPITAL) UNDER THE CORPORATIONS ACT OF MANITOBA



These guidelines are to help in the completion of Articles of Incorporation for corporations with share capital (business corporations). **These guidelines are not a substitute for legal advice! As these forms are legal documents, the Companies Office cannot provide any advice in their completion.**

- a) All paragraphs of the Articles of Incorporation must be completed. If they are not, the forms will not be accepted**
- b) Forms must be typed or printed clearly and signed in ink.**
- c) Forms must be filed in duplicate on 8 ½ x 11 white paper. We do not accept double-sided forms or faxed copies.**

Paragraph 1 – Name of Corporation

Except for numbered corporations, every corporate name must have been searched and reserved by filing a Request for Name Reservation. If you have not done this step, please file the [Request for Name Reservation](#) first. Request for Name Reservation can be filed online via [Companies Online](#) on our website.

Note: if you do not have a User Name and Password, click on “[New Users](#)”. You will be guided through the process of setting up an account with the Companies Office.

- The name of the corporation must match the reserved name exactly.
- The corporate name must end with a legal element: “Incorporated”, “Limited”, “Corporation” (or an abbreviation of these three words or their French equivalent).
- If incorporating a numbered name, please insert the following:
_____MANITOBA LTD. (or another legal element of your choice)

Paragraph 2 – The Address of the Registered Office

The registered office is where the books and records of the corporation are kept (i.e. articles, by-laws, minutes of meetings, resolutions, etc.).

- A full civic address is required together with the postal code.
- The address must be located in Manitoba.
- A post office box alone in Winnipeg or Brandon is not acceptable.

Paragraph 3 – Number (or Minimum and Maximum) of Directors

- May provide a fixed number (e.g. 1). If a fixed number has been provided, the Articles of Incorporation must provide the names and addresses of that number of directors.
- If preferred, a minimum **and** maximum number of directors can be shown (e.g. Minimum of 1, Maximum of 7). In this example, the Articles of Incorporation must provide the names and addresses of at least one director, but no more than 7 directors.

Paragraph 4 – First Directors

Directors are responsible for supervising the activities of the corporation and for making decisions regarding those activities.

- A director must:
 - Be at least 18 years old
 - Not be in “bankrupt” status (a person who has previously been bankrupt may be a director after they have received their full discharge).
 - Be an individual (a corporation cannot be a director)
- Provide the full names and home addresses of all directors of the corporation. Initials are not acceptable.
- Ensure the number of directors provided in this section matches the information provided in Paragraph 3.
- Any directors not listed as an incorporator (paragraph 11) will need to sign a [Consent to Act as First Director](#) form which must be filed together with the Articles of Incorporation.
- At least 25% of the directors must be residents of Canada.

Paragraph 5 – The Classes and any Maximum Number of Shares that the Corporation is Authorized to Issue

- Shares represent ownership in a corporation. When a share is issued, the holder of the share becomes a shareholder in the corporation. Therefore, all share capital corporations must be authorized to issue shares of one or more class (type).
- This section must be completed showing the names of the classes of shares, and any maximum number for each class, that the corporation **will be** authorized to issue. This does not mean that the shares have been issued, only that the corporation could issue these shares if desired. Shares are issued only when they have been purchased from the corporation.
 - The corporation may or may not require more than one class of shares. There is no limit on the number of classes of shares that can be authorized.
 - Share classes can be assigned various names. They may be referred to as Common shares, Preferred shares, Class A shares, Class B shares, Class B Preferred Shares, Class 1 shares, Class 2 shares, etc.
 - Providing a “maximum number” for any class of shares is optional. You may:
 - Provide a maximum number for each class of shares, or
 - State “unlimited” for each class of shares, or
 - Provide no limits on the number of shares that can be issued for each class of shares
- Percentages (%) of ownership are not acceptable as this is not the information that is required in this section.

- A corporation's share structure can be very simple or it can be very complex. There may be significant tax consequences based on how a corporation's share structure is set up. Professional advice from your lawyer or accountant may be required in order to properly complete this section.

Paragraph 6 – The Rights, Privileges, Restrictions and Conditions

- If the corporation will be authorized to issue more than one class of shares (paragraph 5), each class of shares will need to have different rights and restrictions. Setting different rights and restrictions to the classes of shares, determine what the holder of these shares will be entitled to. One very basic example is setting the voting rights for the classes of shares. Others may include the rights to dividends, or the return of property on the dissolution or winding up of the corporation. There may be significant tax consequences based on what the rights, restrictions and conditions are for particular classes of shares. Professional advice from your lawyer or accountant may be required in order to properly complete this section.
- If there is only one class of shares then you may or may not want to detail the rights and restrictions of that one class. If there is only one class of shares, and no restrictions are being provided, please insert "Not Applicable". If you choose this route, subsection 24(4) of The Corporations Act provides that each share will have the right:
 - To vote at all meetings of shareholders except meetings at which only holders of a specified class of shares are entitled to vote;
 - To receive any dividend declared by the corporation; and
 - To receive the remaining property of the corporation upon a dissolution.

Paragraph 7 – Restrictions, if any, on Share Transfers

- When shares are issued, the shareholders may resell their shares unless there are specific restrictions that enable the shareholders and directors to control who holds shares in the corporation by requiring some type of approval before shares can be transferred.
- A restriction on share transfers can be almost whatever you would like it to be. Two common restrictions that are used, are to prohibit the transfer of shares without approval of the Board of Directors, or without approval of a certain percentage of the other shareholders.
- If you are placing restrictions on the transfer of shares, these restrictions should be completed in this section. If there are no restrictions, you may insert "Not Applicable".
- Unless you are planning to trade shares publicly, and you have consulted with The Manitoba Securities Commission on this point, you may wish to provide at least one restriction on the transfer of shares.

Paragraph 8 – Restrictions, if any, on the Business the Corporation may carry on

- While most companies do not restrict what business activities the corporation may carry on, there may be reasons why restrictions need to be included. If there are no restrictions, you may insert "Not Applicable".

Paragraph 9 – Other Provisions, if Any

- Additional provisions in the Articles of Incorporation can be included in this section. This may include clauses to satisfy requirements of other legislation or institutions.
- If you are including any additional provisions, they should be completed in this section. If there are no other provisions, you may insert "Not Applicable".

Paragraph 10 - Statement

- This statement emphasizes that the incorporator(s) are not aware of any body corporate, association, partnership, individual or business whose name is so similar to the name being incorporated, so as to be likely to confuse or mislead. Incorporators confirm their agreement with this statement by signing the Articles of Incorporation. If the incorporators are aware of such a name (whether or not the proposed name of the new corporation has been reserved), they should not proceed to sign and file the Articles.
- Do not insert anything into this section.

Paragraph 11 - Incorporators

- Provide the full names and home addresses of all incorporators. Initials are not acceptable. Signatures of all incorporators are required.
- Any directors (paragraph 4) not listed as an incorporator will need to sign [Consent to Act as First Director](#) form which must be filed together with the Articles of Incorporation.
- A corporation may be an incorporator.
- An Incorporator must:
 - If an individual, be at least 18 years of age;
 - Not be in "bankrupt" status (a person who has previously been bankrupt may be an incorporator after they have received their full discharge).