

The Co-operative Marketing Associations Act

being

Chapter C-36 of *The Revised Statutes of Saskatchewan, 1978*
(effective February 26, 1979).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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SCHEDULE

CHAPTER C-36

An Act respecting Co-operative Marketing Associations

SHORT TITLE

Short title

1 This Act may be cited as *The Co-operative Marketing Associations Act*.

R.S.S. 1978, c.C-36, s.1.

INTERPRETATION

Interpretation

2 In this Act:

“association”

(a) “**association**” means an association incorporated or company or association registered under this Act or any former *Co-operative Marketing Associations Act*;

“member”

(b) “**member**” means a person who has complied with the provisions of the bylaws of an association governing the admission of members and who has full voting rights;

“products”

(c) “**products**” means agricultural, horticultural, dairy, live stock, poultry and farm products, fur bearing animals raised in captivity, furs and products of the forest, lake or river, including lumber, cordwood and fish;

“registrar”

(d) “**registrar**” means the Registrar of Co-operative Marketing Associations for Saskatchewan or a person acting for the registrar;

“special resolution”

(e) “**special resolution**” means a resolution passed by not less than three-fourths of the members or members and delegates present at a meeting of the association where not less than ten days’ notice, specifying the intention to propose the resolution as a special resolution, has been duly given.

R.S.S. 1965, c.247, s.2; 1969, c.10, s.2; R.S.S. 1978, c.C-36, s.2.

REGISTRAR

Registrar

3 The Deputy Minister of Co-operation and Co-operative Development shall be Registrar of Co-operative Marketing Associations for Saskatchewan.

R.S.S. 1965, c.247, s.3; R.S.S. 1978, c.C-36, s.3.

INCORPORATION

Procedure

4(1) Any five or more persons or any two or more co-operative associations desiring to associate together as an incorporated association for the general purpose of marketing products on a non-profit co-operative basis as specified in the memorandum of association and permitted by this Act, either with limited or unlimited capital divided into shares or without share capital, shall, in the presence of a witness, sign in duplicate and cause to be filed in the office of the registrar, a memorandum of association (form A), to which shall be attached an affidavit verifying the signatures; provided that where the memorandum is made by co-operative associations, at least two officers, so authorized, shall sign the memorandum on behalf of each association, and the memorandum shall be accompanied by a certified copy of the respective resolutions of the associations concerned approving of the application for incorporation and authorizing the signatures.

(2) No association shall be incorporated under a name identical with that by which any other existing association has been incorporated or registered, or so nearly resembling the same as to be likely to deceive, and the words "Co-operative" or "Pool" and "Limited" shall form part of the name of any association incorporated under this Act.

(3) The registrar may refuse incorporation to an association whose name or part of whose name includes any of the following words: "Imperial", "Crown", "King's", "Queen's", "Royal", "Dominion", "Saskatchewan", or words of similar import.

(4) After the memorandum of association has been filed and after such additional information has been furnished as the registrar may require, he shall, if satisfied that incorporation is economically advisable and if he otherwise approves of incorporation, issue a certificate of incorporation (form B).

(5) One copy of the memorandum of association with the registrar's approval stamped thereon shall be returned to the association.

(6) The registrar shall cause a notice of the incorporation to be published, at the expense of the association, in one issue of *The Saskatchewan Gazette*, and the charges prescribed under section 73 shall be paid at the time of the filing of the memorandum.

R.S.S. 1965, c.247, s.4; R.S.S. 1978, c.C-36, s.4.

Effect of incorporation

5 From the date of the certificate, the subscribers to the memorandum and such other persons as from time to time become members in the association shall be a body corporate and politic under its registered name, and have perpetual succession and a common seal.

R.S.S. 1965, c.247, s.5; R.S.S. 1978, c.C-36, s.5.

Certificate of registrar conclusive as to compliance with Act

6 The certificate of the registrar shall be conclusive evidence that all the requirements of this Act in respect of incorporation and registration and matters precedent and incidental thereto have been complied with and that the association is an association authorized to be incorporated or registered under this Act.

R.S.S. 1965, c.247, s.6; R.S.S. 1978, c.C-36, s.6.

Contents of memorandum of association

7(1) The memorandum of association shall state the name of the association, its objects, the number of directors, the amount of share capital, if there is limited share capital, with which the association proposes to be registered and the division thereof into shares of a fixed amount, and also the place in Saskatchewan at which the registered office of the association is to be situated.

(2) Subject to subsection (3), where there is no share capital, the memorandum of association shall state the basis on which the interest of each member of the association shall be computed or, where there are two or more classes of members, the basis on which the interest of each member of each class shall be computed.

(3) The memorandum of association may provide that the membership of the association shall consist of two or more sections, in which case the memorandum shall:

- (a) designate each section by a title descriptive of the product or commodity to be delivered by the members thereof;
- (b) state the membership fee, if any, or the membership fee, if any, for each section if the fee is not uniform;
- (c) where there is no share capital, state the basis upon which the interest of each section of members shall be computed and the basis on which the interest of each member of each section shall be computed or, where there are two or more classes of members in a section, the basis on which the interest of each member of each class of members shall be computed,.
- (d) specify the representation of each section on the board of directors.

R.S.S. 1965, c.247, s.7; R.S.S. 1978, c.C-36, s.7.

POWERS**Ancillary powers**

8(1) An association shall have, as ancillary and incidental to the object or objects set forth in the memorandum of association, the following powers unless those powers or any of them are expressly excluded by the memorandum, namely:

Assembling, processing and marketing

(a) to undertake and carry on all kinds of business or operations connected with the marketing, collecting, receiving, taking delivery of, buying, handling, feeding, fattening, finishing, slaughtering, preserving, harvesting, drying, processing, manufacturing, canning, cleaning, packing, grading, storing, transporting, selling, otherwise disposing of or utilizing of any products produced or delivered to it by its members or by any other persons who, though not members, are under section 19 eligible for admission as members, or the manufacturing or buying, selling or marketing of the by-products thereof;

Borrowing

(b) to borrow or raise or secure the payment of money in such manner as the association thinks fit, and in particular by the issue of bonds, debentures, debenture stock, perpetual or otherwise, charged upon any or all of the association's property, both present and future including its uncalled capital, and to purchase, redeem or pay off any such securities;

Mortgaging, etc., of products

(c) to mortgage, pledge, hypothecate, borrow money upon, and otherwise deal with products and all documents of or evidencing title thereto, either as principal, agent, broker or attorney-in-fact;

Mercantile agent

(d) to act as mercantile agent for its members or non-member customers or any of them under such terms and conditions as may be set forth in the bylaws or in marketing contracts entered into by the association;

Marketing contracts

(e) to enter into any contract or arrangement whatever for or incidental to the selling or marketing of products on a co-operative basis;

Advances to members

(f) to advance money to its members on such terms as may seem expedient;

Arrangements with other associations

(g) to unite with any other association in employing and using the same personnel, methods, means and agencies for carrying on and conducting their respective businesses, or to use the personnel, methods, means and agencies for carrying on and conducting their respective businesses, or to use the personnel, methods, means and agencies of another association by separate employment;

Arrangements with governments, etc.

(h) to enter into any arrangements with any government or any authority, municipal, local or other, that may seem conducive to the association's objects, or any of them, and to obtain from any such government or authority, any rights, privileges and concessions that the association may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;

Purchase of similar businesses

(i) to purchase or otherwise acquire all or any part of or any interest in the business, goodwill and assets of, and to assume the whole or any part of the liabilities of, or to amalgamate with, take shares in or securities of, or become a member of, or enter into partnership or any arrangement for sharing of profits or union of interests with, any other co-operative association having objects or engaged in any business transactions wholly or in part similar to the objects of the association or in any business capable of being conducted so as directly or indirectly to benefit the association;

Benefits to members and employees

(j) to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members of the association or employees or ex-employees of the association or its predecessors in business, or the dependants or connections of such persons, to grant pensions and allowances, to make payments towards insurance;

Allotment of capital stock in payment for property

(k) in the case of associations with share capital, to issue and allot fully paid-up shares of capital stock of the association in payment or part payment for any real or personal property purchased or otherwise acquired by the association; provided that the transaction is evidenced by an agreement in writing giving particulars of such property and the amount of capital stock to be issued and allotted, and a copy of the agreement is filed with the registrar within thirty days after such issue and allotment;

Carrying on business in other countries, etc.

(l) to take from the government of any country, province or state the power to carry on therein any business that the association is authorized to carry on;

Acquisition of property

(m) generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property, and any rights or privileges that the association may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade;

Investment

(n) to invest and deal with the moneys of the association not immediately required, in such manner as may from time to time be determined;

Promissory notes, etc.

(o) to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;

Sale, etc., of property

(p) to sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the association;

Membership in credit societies

(q) to become a member of a credit union incorporated under any *Credit Union Act*, or of Saskatchewan Co-operative Credit Society Limited, or of Co-operative Trust Company of Canada, and to purchase shares from or loan to or borrow money from such credit union or Saskatchewan Co-operative Credit Society Limited or Co-operative Trust Company of Canada, and to purchase guaranteed investment certificates from Co-operative Trust Company of Canada;

Educational and advisory work

(r) to carry on, encourage and assist educational and advisory work relating to co-operation;

Subscriptions

(s) to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object;

Acting through servants

(t) to do all or any of the above things as principal, agent, contractor, trustee or otherwise, and by or through trustees, agents or otherwise and either alone or in connection with others;

Incidental powers

(u) to do all other things incidental or conducive to the attainment of the above objects or any of them.

Powers not limited

(2) Nothing in this section shall prevent an association from including in its memorandum other powers in addition to or in modification of the powers mentioned in subsection (1), except power to operate a railroad or telegraph line.

Extra-provincial powers

9(1) Every association heretofore or hereafter created under this or any general or special Act of the Legislature respecting co-operative marketing associations shall, unless a contrary intention is expressed in the Act incorporating it or in the memorandum of association thereof, have and be deemed to have had since incorporation capacity to accept extra-provincial powers and rights, and to exercise its powers beyond the boundaries of the province to the extent to which the laws in force where those powers are sought to be exercised permit.

(2) An express provision in a memorandum of association that confines the operations of the association to the province may be abrogated in the same manner as the objects or purposes of the association may be altered under this Act.

R.S.S. 1965, c.247, s.9; R.S.S. 1978, c.C-36, s.9.

BYLAWS**Registration**

10(1) There shall be registered with the memorandum of association, subject to the approval of the registrar, bylaws, in duplicate, not inconsistent with this Act, for the administration of the association.

(2) One copy of the bylaws, with the registrar's approval stamped thereon, shall be returned to the association.

R.S.S. 1965, c.247, s.10; R.S.S. 1978, c.C-36, s.10.

Contents of bylaws

11(1) Subject to the other provisions of this Act, the bylaws may provide for any or all of the following matters:

Meetings

(a) the time and place of and manner of calling and conducting meetings of the association;

Quorum

(b) the number of members or delegates to constitute a quorum;

Voting

(c) the rights of members of the different classes to vote; restrictions on and conditions precedent to the right to vote; voting by ballot or mail or both, and the conditions, manner, form and effect of such votes;

Quorum of directors

(d) the number of directors to constitute a quorum;

Qualifications, etc., of directors and officers

(e) the qualifications, compensation, duties, term of office and method of removal of directors and officers;

Election of directors and officers

(f) the time or their election and the mode and manner of giving notice thereof;

Admission of members

(g) the procedure for admitting new members;

Membership fees and collection thereof

(h) the amount of entrance and membership fees, if any, the manner and method of collection or those fees and the purposes for which they may be used;

Allotment of payment and shares

(i) the number of shares, if there are shares, that any one member may hold, the method of allotment of and payment for shares;

Periodic payments by member

(j) the amount that member shall be required to pay annually, or from time to time, if at all, to carry on the business of the association;

Charges for service

(k) the charge, if any, to be paid by each member for services rendered by the association to him, the time or payment and manner of collection of the charge;

Contracts

(l) the terms of the contract between the association and its members or the members of a section or class, that every member of the association or every member of a section or class, as the case may be, may be required to sign;

Mercantile agent

(m) the terms and conditions under which the association may, without the completion of individual marketing contracts, carry on business as the mercantile agent of its members or any of them for the purpose of marketing such products of the members as may be designated by the bylaw, and the bylaws shall have the same effect as if each member had personally entered into a separate contract to appoint the association his agent for valuable consideration and had authorized deductions by the association from the sale or resale price of the products in an amount sufficient to meet the amount of such consideration;

Assignments by members of moneys payable to them by the association

(n) the acceptance or non-acceptance by the association of assignments by members or moneys payable to them by the association and the cancellation or acceptances heretofore made after giving one month's notice in writing to the assignee;

Referendum

(o) a referendum on any problem of general concern to the members of the association;

Number and qualifications of members, conditions precedent to membership, etc.

(p) the number and qualifications or members of the association or of each class of members; the conditions precedent to the ownership of shares or to membership in the association or in each class or members; the method, time and manner of and conditions precedent to transferring from membership in one class to membership in another class, or from membership in one section to membership in another section; the conditions upon which and the time when the membership of any member in the association or in any class of members shall cease; the method, time and manner of permitting members to withdraw from the association or transfer their shares; the manner of assignment and transfer of the interest of members and of shares; the automatic suspension of the rights of a member when he ceases to be eligible for membership;

Determination of members' interest or equity

(q) the manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member; the method, time and manner of and the conditions precedent to paying a portion or portions of a member's interest in the association to him while he remains a member; the time of and the conditions precedent to the interest or any specified part of the interest of a member in the association reverting to and becoming the sole property of the association, and declaring that thereafter neither such member nor any person claiming from, through or under him shall have any right to or property in such interest or such part thereof;

Districts and district directors

(r) the division into districts of the territory in which the association has members and the election of directors from such districts either directly or by district delegates; the number of directors to be elected from each district; the method of forming new districts, either as additions to or substitutions for the old districts, and re-determining the number of directors;

District delegates

(s) the election of district delegates and the number thereof and the delegation to such district delegates of all or any of the powers exercisable by the members assembled at general meetings, the method of calling and the persons who may call meetings of delegates;

Delegates representing sections or classes of members

(t) the election in each district of district delegates to represent the members or the members of one or more sections or the members of one or more classes of members residing in the district; the number of such delegates; the delegation to meetings composed of such delegates of all or any of the powers exercisable by the members assembled at general meetings; the method of calling and the persons who may call meetings of delegates; and the number of votes that each delegate may cast at such meetings;

Government of association by delegates from member associations

(u) where the members or any of them are co-operative associations, the government or control of the association by delegates to be elected or appointed by the member associations, in such manner as may be provided by the bylaws and that such delegates may exercise fully and completely in every way the powers of the members of the association that they represent or such of those powers as may be specified in the bylaws;

Powers of delegates' meetings

(v) that a meeting of the delegates shall take the place fully and effectually in every way of a meeting of the members of the association;

Appointment and dismissal of directors

(w) the appointment and dismissal of directors at meetings of members or delegates;

Expenses of delegates

(x) the remuneration and payment of expenses of delegates in connection with the business of the association;

Executive committee

(y) the formation of an executive committee of the board of directors and the allotment to that committee of the functions and powers of that board of directors, subject to the general direction and control of the board;

Sale or resale of products delivered to association

(z) the sale or resale by the association of products delivered to it by its members or other persons without the completion of individual marketing contracts and with or without taking title thereto, and the method, time and manner of the payment over to its members or other persons of the sale or resale price after deducting all necessary selling, overhead and other costs and expenses including reserves for retiring the shares, if any, and other proper reserves including those required for acquiring real or personal property, for the erection of warehouses or other buildings or the acquisition of any mechanical or other facilities connected with the handling, processing, manufacturing and marketing of the products, and interest not exceeding five per cent per annum on shares and the amounts referred to in any bylaw passed under section 12;

Purchase and sale of products

(aa) the purchase and sale or resale by the association of products delivered to it by its members or other persons and the method of apportionment of the surplus arising from the business of the association in proportion to patronage, after providing for all the necessary selling, overhead and other costs and expenses, including reserves for retiring shares, if any, and other proper reserves, including those required for acquiring real or personal property, for the erection of warehouses or other buildings or the acquisition of any mechanical or other facilities connected with the handling, processing, manufacturing and marketing of the products, and interest not exceeding five per cent per annum on shares and the amounts referred to in any bylaw passed under section 12;

Allotment of shares in lieu of payment of patronage, dividends, etc.

(bb) that, in lieu of the payment in cash of patronage dividends, or of excess handling charges, or of amounts deducted from the sale or resale price of the product delivered to the association, the association may allot to its members shares of its capital in the manner provided in the bylaw, and upon such allotment each member shall be deemed to have made application for the said shares and shall be under an obligation to pay therefor, by the application of patronage dividends or excess handling charges or amounts deducted from the sale or resale price of the product, but only to the extent of such patronage dividends, excess handling charges or deductions from the sale or resale price as are authorized by the bylaw;

Borrowing of patronage dividends or deductions

(cc) that, in lieu of the payment in cash of patronage dividends, or of excess handling charges, or of amounts deducted from the sale or resale price of the product delivered to the association, the association may require its members, without the completion of individual contracts, to undertake to make loans or to incur other obligations to the association from such patronage dividends, excess handling charges or deductions, under such terms and conditions as are provided in the bylaw, and such bylaw shall have the same effect as if each member had entered into a separate contract with the association for valuable consideration and shall create a legal obligation on the part of each member to make such loans or incur such other obligations, but only to the extent of such patronage dividends, excess handling charges or deductions from the sale or resale price as are authorized in the bylaw;

Retirement of members by directors

(dd) that the directors may by at least a two-thirds vote of the directors present at a duly called meeting order the retirement of a member from the association.

Conditions pertaining to members retired by directors

(2) An association shall not pass a bylaw providing for the compulsory retirement of a member from the association, except subject to the following provisions:

1. All capital furnished by the member, together with interest as permitted by the bylaws, shall be refunded to him within a time to be stated in the bylaw;
2. The secretary of the association shall, within five days from the date on which such order is made, notify the member in writing of the order;
3. An appeal from the order may be taken by the member to the next general meeting of the association, provided that written notice of intention to appeal shall be given by him to the secretary within thirty days from the date of receipt of the notice mentioned in paragraph 2;
4. At that meeting a majority of the members or delegates present or such greater percentage of the members or delegates present as may be specified in the bylaw may confirm or rescind the order.

(3) If the whereabouts of a member whose retirement is ordered under a bylaw of the association is unknown to the association after all reasonable efforts have been made to ascertain his address for the purpose of making payment to him of all amounts held to his credit, those amounts shall be transferred to the reserve fund of the association, but any amounts so transferred shall thereafter be paid over to the person entitled thereto upon satisfactory proof of his claim.

R.S.S. 1965, c.247, s.11; R.S.S. 1978, c.C-36, s.11.

Deduction from sums payable to non-member customers

12(1) The bylaws may provide for the deduction from that part of the sale or resale price of products that is payable to a person, other than a member, who has delivered products to the association for sale or resale, of an amount or amounts that shall be retained by the association and placed to the credit of that person until an amount equal to the par value of one share or to a membership fee, as the case may be, has accumulated, whereupon a share certificate for one share shall be issued to him or the membership fee shall be deemed to have been paid, and that person shall be deemed to have made application for such membership or share and shall be under an obligation to pay therefor, by the application of such deductions but only to the extent thereof; provided that the bylaws may also provide that such person shall not be deemed to be a member of the association until he has complied with the other provisions, if any, of the bylaws governing the admission of members.

(2) The bylaws may provide that, where the amounts so deducted from the sale or resale price and placed to the credit of such person have been retained by the association for a period of three years from the date on which the last of those amounts was so deducted and have not accumulated to an amount equal to the par value of one share or to a membership fee, as the case may be, those amounts shall, subject to such conditions precedent as may be set forth in the bylaws, revert to and become the sole property of the association and that thereafter neither that person nor any person claiming by, from, through or under him shall have any right to or property in those amounts; provided that the bylaws may also provide that, subject to such conditions precedent as may be set forth therein, those amounts, may, instead of reverting to and becoming the sole property of the association, be paid by the association to that person.

R.S.S. 1965, c.247, s.12; R.S.S. 1978, c.C-36, s.12.

Deduction of membership fee, etc., from interest of members

13(1) The bylaws may provide for the deduction and retention by the association of the membership fee, if any, of a member of the association or of a member of any class or section of members, or of any sum remaining unpaid on a share or shares required to be held by a member as a condition of membership, from the amount of the interest of the member in the association.

(2) Notice of such deduction shall be given to the member.

R.S.S. 1965, c.247, s.13; R.S.S. 1978, c.C-36, s.13.

AMENDMENT OF MEMORANDUM AND BYLAWS**Special resolution**

14(1) Subject to this Act, an association may by special resolution alter, amend or add to its memorandum of association, but no alteration, amendment or addition has any force or effect until two copies of the special resolution, certified to be true copies by the president and secretary of the association and under seal, have been filed with the registrar and approved by him.

(2) Where not less than ten days' notice of motion to alter, amend or add to the bylaws of the association has been duly given to each member or delegate entitled to vote and subject to any conditions contained in the bylaws of an association, the members or delegates of the association may by bylaw approved by not less than two-thirds of the members or delegates present and entitled to vote at any annual meeting or other general meeting duly called, alter, amend or add to the bylaws of the association.

(3) No bylaw approved pursuant to subsection (2) has any force or effect until two copies thereof, certified by the president and secretary of the association under seal to be true copies, have been filed with the registrar and approved by him.

(4) A bylaw to alter, amend or add to the bylaws may be approved by the registrar prior to the meeting at which it is to be approved in accordance with subsection (2) and in such case the bylaw has force and effect immediately upon being approved at the meeting; but the bylaw shall cease to have any force or effect upon the expiration of thirty days after the meeting unless within that time it has been filed with the registrar in accordance with subsection (3).

(5) Where the registrar approves a special resolution or bylaw filed in accordance with this section, he shall send a copy of the special resolution or bylaw, as the case may be, stamped with his approval, to the association.

1969, c.10, s.3; R.S.S. 1978, c.C-36, s.14.

Binding effect of memorandum and bylaws

15 The memorandum of association and the bylaws and amendments, additions and alterations thereof shall, when registered, bind the association and the members thereof to the same extent as if they had respectively been signed and sealed by each member, and contained covenants on the part of each member, his heirs, executors and administrators to observe all the provisions thereof subject to the provisions of this Act.

R.S.S. 1965, c.247, s.15; R.S.S. 1978, c.C-36, s.15.

CONTRACTS

Contents of marketing contracts

16(1) An association and its members and other persons who are customers of the association may make and execute marketing contracts requiring the members and other persons who are customers to sell or deliver for sale, for any period of time specified therein, all or any part of their products or commodities specified in such contracts, exclusively to or through the association or any agencies created by the association.

(2) A contract may provide that the association may sell or resell the products delivered by its members or other persons with or without taking title thereto, and pay over to its members or other persons the sale or resale price after deducting all necessary selling, overhead and other costs and expenses, including reserves for retiring the shares, if any, and other proper reserves, including those required for acquiring real or personal property, for the erection of warehouses or other buildings or the acquisition of any mechanical or other facilities connected with the handling, processing, manufacturing and marketing of the products, and interest not exceeding five percent per annum on shares.

(3) A marketing contract may provide for payment by the members or other persons to the association for all products or commodities sold, consigned or marketed by or for them, or withheld, otherwise than in accordance with its terms, of specified sums as liquidated damages for breach of contract; and any such provision shall be valid and enforceable in the courts of Saskatchewan.

(4) A marketing contract may provide the manner in which it may be revoked by either party thereto.

R.S.S. 1965, c.247, s.16; R.S.S. 1978, c.C-36,
s.16.

Manner of making contracts

17(1) Contracts on behalf of an association may be made as follows:

1. A contract that, if made between private persons, would by law be required to be in writing and, if made according to the law of the province or of Canada, to be under seal, may be made on behalf of the association in writing under the seal of the association, and may in the same manner be varied or discharged;

2. A contract that, if made between private persons, would by law be required to be in writing and signed by the parties thereto, may be made on behalf of the association in writing signed by a person acting under its authority, express or implied, and may in the same manner be varied or discharged;

3. A contract that, if made between private persons, would by law be valid although made orally only, and not reduced into writing, may be made orally on behalf of the association by a person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law, and shall bind the association, its successors and all other parties thereto, their heirs, executors or administrators.

(3) A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of an association if made, accepted or endorsed in the name of, or by or on behalf or on account of, the association by a person acting under its authority.

R.S.S. 1965, c.247, s.17; R.S.S. 1978, c.C-36,
s.17.

RESTRICTIONS RESPECTING DEDUCTIONS FROM PROCEEDS OF SALES

Prohibition of deductions except in certain cases

18 No association incorporated or registered under this Act shall make any deductions from the gross amount received by it from the sale or resale of the products delivered to it by its members or by any other persons who deliver products to it except as provided by bylaws passed under subsection (1) of section 11 or subsection (1) of section 12 or except as provided by subsection (2) of section 16.

R.S.S. 1965, c.247, s.18; R.S.S. 1978, c.C-36,
s.18.

MEMBERSHIP

Persons admissible as members

19(1) Only persons who are engaged in the production of products to be handled by or through the association, including tenants of land used for the production of such products, and all landlords who receive as rent all or part of the crop upon premises leased by them, and such other persons as obtain title to or possession of products by due process of law, and associations having as their object or one of their objects the buying and selling or marketing of products on a non-profit co-operative basis and which are incorporated or registered under *The Co-operative Associations Act* or this Act or any former Act governing such associations, and associations incorporated in another province and registered under this Act, shall be admitted as members of an association.

(2) All applications for membership shall require the approval of the directors.

R.S.S. 1965, c.247, s.19; R.S.S. 1978, c.C-36,
s.19.

Certificate of membership

20(1) Where there is no share capital, every member who has paid his membership fee, if any, in full shall receive a certificate of membership.

(2) Where there is share capital no share certificate shall be issued to a member until it has been fully paid for, but the promissory note of a member may be accepted as full or partial payment, and in that case the association shall hold the share certificate as security for payment of the note, but retention of the certificate shall not affect the member's right to vote.

R.S.S. 1965, c.247, s.20; R.S.S. 1978, c.C-36,
s.20.

Liability of members

21 No member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his membership fee, if any, or his subscription for shares, as the case may be, including any unpaid balance on a promissory note given in payment thereof.

R.S.S. 1965, c.247, s.21; R.S.S. 1978, c.C-36,
s.21.

Lien for debts of members

22 Every association shall have a lien on the shares of its members for debts due from them to the association, and the interest of any member in the association shall be subject to a set-off of any indebtedness by him to the association.

R.S.S. 1965, c.247, s.22; R.S.S. 1978, c.C-36, s.22.

Assignment, transfer and repurchase of shares and memberships

23(1) Subject to subsections (2) and (3), shares and membership interests may be assigned or transferred or may be redeemed or repurchased by the association.

(2) No assignment, transfer, redemption or repurchase shall be valid unless approved or authorized by the directors subject to such conditions as may be specified in the bylaws.

(3) No assignment, transfer, redemption or repurchase shall be approved or authorized by the directors if it would reduce the total number of members below five or, if the membership consists of associations, it would reduce the membership to one.

R.S.S. 1965, c.247, s.23; R.S.S. 1978, c.C-36, s.23.

Transfer of interest of deceased member

24(1) If evidence is presented to the association to the effect that a member of the association is deceased, leaving an estate in Saskatchewan, other than his interest in the association, of not more than \$500, and that no legal personal representative has been appointed in Saskatchewan during a period of six months following the death, and if the association has not received notice of a transfer, assignment or other charge against the member's interest therein, then the association, with the approval of the Attorney General, may transfer the interest of the member in the association or pay any or all of the moneys payable with respect to that interest to the persons claiming to be his next of kin, or to one or more of them. An acknowledgment of such transfer or a receipt for such payment from the person to whom the transfer or payment is made shall be as binding and effectual a discharge of the association as if given by a legal personal representative of the deceased duly appointed in Saskatchewan.

(2) If the deceased leaves a will naming an executor or trustee for the administration of his estate in Saskatchewan, the association may, subject to subsection (1), pay the value of his interest in the association to the executor or trustee notwithstanding the fact that the executor or trustee has not applied for letters probate in Saskatchewan. A receipt from the executor or trustee for such payment by the association to him shall be as binding and effectual a discharge of the association as if given by a legal personal representative of the deceased duly appointed in Saskatchewan.

(3) If evidence is presented to the association that letters probate or letters of administration have been issued in the estate of the deceased prior to the payment of any portion of the interest of the deceased in the association to any person under subsection (1) or (2), then all subsequent payments shall be made to the executor or administrator.

(4) If at the time of the death of a person who had before his death ceased to be a member of the association, there remains unpaid a sum of money payable to him in respect of the purchase by the association of his interest therein, then subsections (1), (2) and (3) respectively shall be applicable as if that person were a member of the association at the time of his death and as if that sum of money were his interest in the association.

(5) Notwithstanding anything in this Act, this section applies to all co-operative marketing associations incorporated by or under the authority of any Act of Saskatchewan.

R.S.S. 1965, c.247, s.24.

Withdrawal of members

25(1) With the approval of the directors, members may withdraw from an association in the manner prescribed by the bylaws.

(2) Subject to subsection (3), payment of the interests of members withdrawing shall be in accordance with the bylaws of the association governing the repayment of interests of members in general; but in no case shall the directors be required to pay out the interests of members withdrawing if in the opinion of the directors the payment would impair the financial stability of the association.

(3) The bylaws may provide that payment of the interests of members withdrawing under special circumstances, including illness, disability, permanent removal from the area or district served by the association and death, may be made from a fund set aside by the directors for the purpose in such order of priority as the bylaws may prescribe or, where not so prescribed, in such order of priority as the directors may approve.

(4) Upon the withdrawal of a member:

(a) where, in the opinion of the directors, the financial stability of the association is impaired and it is inequitable to make payment for the shares, if any, held by the member at their par or paid-up value or payment of any other interest of the member at the value shown in the books of the association or where, in the opinion of the directors, such payment would impair the financial stability of the association, the directors may offer as final settlement such lesser amount as they deem just;

(b) he shall not be entitled to a refund of his membership fee except at the discretion of the directors.

(5) The directors shall deal promptly with all applications for withdrawal from membership.

R.S.S. 1965, c.247, s.25; R.S.S. 1978, c.C-36, s.25.

DIRECTORS AND OFFICERS

At least three directors

26(1) Every association shall have at least three directors.

(2) The persons whose names appear on the memorandum of association as having been appointed and consented to act as provisional directors shall, upon incorporation of the association, be deemed to have all the powers and duties of directors and shall direct the affairs of the association until their successors have been elected at the first general meeting.

R.S.S. 1965, c.247, s.26; R.S.S. 1978, c.C-36, s.26.

Duties and powers of directors

27 The directors shall direct and supervise the business and property of the association and may by resolution exercise all such powers of the association as are not required by this Act or the bylaws to be exercised by the association in a general or special meeting.

R.S.S. 1965, c.247, s. 27; R.S.S. 1978, c.C-36, s.27.

Officials

28 The directors shall elect from their number a president and one or more vice-presidents, and shall also appoint a secretary and a treasurer, or a secretary treasurer or manager, who need not be a member of the association.

R.S.S. 1965, c.247, s.28; R.S.S. 1978, c.C-36, s.28.

Vacancy on board of directors

29(1) Subject to subsection (4), when a vacancy on the board of directors occurs otherwise than by expiration of the term of office of a director, the remaining members of the board may, unless the bylaws otherwise provide, fill the vacancy until the next annual meeting.

(2) If the association consists of two or more sections, the director elected to fill the vacancy shall be a member of the section in which the vacancy occurs and shall be elected by the remaining directors representing that section.

(3) If the bylaws of the association provide for the election of directors by districts the bylaws may also provide that the director elected to fill the vacancy shall be elected by the remaining directors of the association or the remaining directors representing a section, as the case may be, who represent the district in which the vacancy occurs, or that the board of directors shall immediately call a special meeting of the members of the association, or of the section concerned, as the case may be, who belong to that district to fill the vacancy.

(4) Where by reason of vacancies on the board of directors the number of directors is reduced to less than the number required to constitute a quorum for a meeting of directors, the remaining directors shall immediately call a special meeting of the association to fill the vacancies.

R.S.S. 1965, c.247, s.29; R.S.S. 1978, c.C-36, s.29.

Directors must be members

30 Every person who is elected or appointed a director shall be a member of the association and otherwise qualified under the bylaws thereof, and the election or appointment of a person not so qualified shall be void, except in the case of directors appointed at the first general meeting who shall have two months to qualify and a person failing to qualify within that time after his election shall cease to be a director, and the vacancy so created shall be filled by the other directors in accordance with this Act.

R.S.S. 1965, c.247, s.30; R.S.S. 1978, c.C-36, s.30.

Validity of acts of directors

31 All acts of the directors shall be valid notwithstanding any defect in the appointment or qualification of any director or directors.

R.S.S. 1965, c.247, s.31; R.S.S. 1978, c.C-36, s.31.

No director may benefit by contract

32 Except with the approval of a meeting of the association no director during his term of office shall be a party to a contract for profit with the association that confers upon him any rights other than those accorded to members generally.

R.S.S. 1965, c.247, s.32.

Meetings of directors

33(1) The directors shall hold meetings at such times as may be provided in the bylaws.

(2) Unless the bylaws otherwise provide, notice of meetings of the directors shall be given in the manner prescribed by resolution of the directors.

(3) The president may at any time, and shall if requested in writing by a majority of the directors to do so, call a special meeting of the directors.

(4) The secretary shall mail to each director, at least five days before the date of a meeting called under subsection (3), a notice setting forth the time and place and the purpose of the meeting.

(5) Notwithstanding non-compliance with a provision respecting the calling of or notice of meetings, if all the directors are present at a meeting every such provision shall be deemed to have been complied with.

(6) Unless the bylaws otherwise provide, the number of directors required to constitute a quorum for the transaction of business at regular and special meetings of the directors is one-half of the number of directors that the association is required to have, plus one, and if a quorum is not present at a meeting of the directors those present shall adjourn the meeting from time to time until a quorum is present.

R.S.S. 1965, c.247, s.33; R.S.S. 1978, c.C-36, s.33.

Security

34 The directors shall see that every person appointed to an office touching the receipt, management or expenditure of money or the receipt and sale of products delivered to the association, before entering upon the duties of his office, gives such security in the form of a fidelity bond as the directors deem sufficient, which security may be varied in amount and renewed from time to time.

R.S.S. 1965, c.247, s.34; R.S.S. 1978, c.C-36, s.34.

Removal of directors from office

35 In the absence of a provision in the memorandum or bylaws, an association may, by resolution passed by at least two-thirds of the members or delegates present at a regular general meeting or a special meeting called for the purpose, remove any director before the expiration of his period of office.

R.S.S. 1965, c.247, s.35; R.S.S. 1978, c.C-36, s.35.

Remuneration

36 The association may provide a fair remuneration for the time actually spent by its officers and directors in its service, and for the services of the members of the executive committee, if any.

R.S.S. 1965, c.247, s.36; R.S.S. 1978, c.C-36, s.36.

MEETINGS

First general meeting

37 Every association shall, within four months from the date of incorporation of the association, unless the time is extended by the registrar, hold a general meeting of the association, at which all members or delegates shall be entitled to be present and to vote.

R.S.S. 1965, c.247, s.37; R.S.S. 1978, c.C-36, s.37.

Annual and other general meetings

38(1) Every association shall by bylaw provide for an annual general meeting, and may so provide for semi-annual, quarterly or other general meetings.

(2) Any matter affecting the association or its affairs may be dealt with at a general meeting.

(3) Unless the bylaws otherwise provide, a notice of every general meeting shall be mailed to each member or delegate entitled to attend the same, at least ten days prior to the date of the meeting, at the address given in the register of members.

R.S.S. 1965, c.247, s.38; R.S.S. 1978, c.C-36, s.38.

Special meetings

39(1) The directors may call a special meeting of the members or of the delegates, as the case may be, at any time, and ten per cent of the members or twenty-five per cent of the delegates may request the directors to call a special meeting for the purpose of disposing of specific business, and the directors shall thereupon call such meeting.

(2) Unless the bylaws otherwise provide, notice of all special meetings, together with a statement of the purpose thereof, shall be mailed to each member or delegate who is entitled to attend the same, at least ten days prior to the date of the meeting, at the address given in the register of members.

(3) No business other than that specified in the notice shall be transacted at a special meeting.

R.S.S. 1965, c.247, s.39; R.S.S. 1978, c.C-36, s.39.

Registrar may prescribe manner of calling meetings

40 If at any time it is impracticable to call a general or special meeting of the association in the manner provided by the bylaws, the registrar may, on application to him for the purpose, prescribe the manner of calling the meeting.

R.S.S. 1965, c.247, s.40; R.S.S. 1978, c.C-36, s.40.

Quorum

41 Unless the bylaws otherwise provide, the quorum at a general or special meeting of the association shall be:

- (a) ten members or ten per cent of the members, whichever is the lesser; or
- (b) one-half of the delegates; or
- (c) where the membership is twenty or less, one-half of the members;

but in no case shall the number of members or delegates required to constitute a quorum be less than the number of directors plus one, except where all members are directors, in which case a majority of the members shall constitute a quorum.

R.S.S. 1965, c.247, s.41; R.S.S. 1978, c.C-36, s.41.

Power of registrar to call meetings

42(1) If an association fails to hold an annual general meeting the registrar may call a general meeting of the association to enable the members to secure such information regarding its affairs as they are entitled to receive under this Act and to deal with any matter affecting the association or its affairs including the adoption of bylaws or amendments to existing bylaws or the memorandum of association.

(2) The registrar may call a special meeting of the association for the purpose of reporting to the members the result of any audit, examination or other investigation of the association's affairs ordered or made by him.

R.S.S. 1965, c.247, s.42; R.S.S. 1978, c.C-36, s.42.

Delegation of members' powers to delegates

43 Where under a bylaw heretofore or hereafter passed provision has been made for the appointment of delegates by the members, such delegates may, unless otherwise provided in the bylaw, exercise at annual meetings and special meetings fully and in every way the powers of the members, and in such cases all references in this Act to the exercise of such powers by members shall be deemed to be references to delegates.

R.S.S. 1965, c.247, s.43; R.S.S. 1978, c.C-36, s.43.

Voting

44(1) No member or delegate shall be entitled to more than one vote and there shall be no voting by proxy.

(2) In case of a tie vote upon any motion at an annual meeting or a special general meeting the motion shall be declared lost.

R.S.S. 1965, c.247, s.44; R.S.S. 1978, c.C-36, s.44.

RECORDS**Register, etc., to be kept**

45(1) Every association shall keep a register, or list of members, and the register shall show and shall be *prima facie* evidence of:

- (a) the names, addresses and occupations of the members and, where there is share capital, the number of shares held by each of them, the numbers of those shares and the amount paid or considered as paid thereon; or, where there is no share capital, the amount paid or owing as fees by each member;
- (b) the date on which each member was registered;
- (c) the date on which any member ceased to be a member.

(2) Every association shall keep a record showing the names, addresses and occupations of all persons who have signed marketing contracts, if any.

(3) Every association shall keep such records and books of account as the registrar may require, and shall keep proper accounting records in which are set out all financial and other transactions of the association including, without limiting the generality of the foregoing, records of:

- (a) all sums of money received and distributed and the matters with respect to which receipt and disbursement took place;
- (b) all sales and purchases;
- (c) products received and products processed;
- (d) the assets and liabilities;
- (e) all other transactions affecting the financial position of the association.

- (4) The records and books of account referred to in subsection (3) may be kept in a bound or looseleaf book or by means of a mechanical, electronic or other device; but where a record is not kept in a bound book the association shall:
- (a) take adequate precautions to guard against the risk of falsifying the information recorded; and
 - (b) provide means for making the information available in an accurate and intelligible form within a reasonable time to any person lawfully entitled to examine the record.
- (5) The records and books of account kept by an association pursuant to this section are admissible in evidence as *prima facie* proof of all facts stated therein.
- (6) No person shall:
- (a) remove, withhold or destroy any record of an association kept and maintained pursuant to this section;
 - (b) knowingly record or assist in the recording of false information; or
 - (c) make information available pursuant to clause (b) of subsection (4) knowing it to be false.

R.S.S. 1965, c.247, s.45; 1969, c.10, s.4; R.S.S. 1978, c.C-36, s.45.

Records open to inspection

46 The records shall be open for inspection to any member or delegate, at the head office of the association, subject to such regulations respecting the time and manner of inspection as may be made by general meeting of the association, except that no person, unless he is an officer of the association or is specially authorized by a resolution thereof, shall have the right to inspect the account of any other member without the written consent of that member.

R.S.S. 1965, c.247, s.46.

ACCOUNTS AND RETURNS

Annual audit

- 47(1)** At the annual meeting of the association, the members or delegates, as the case may be, shall appoint an auditor duly qualified to audit the books and accounts of the association for the ensuing year.
- (2) The auditor so appointed shall be a chartered accountant or any other qualified person approved by the registrar.
- (3) If an appointment is not made at an annual meeting or if an annual meeting is not held within four months after the close of the fiscal year of the association, the registrar shall appoint an auditor for the current year and fix the remuneration to be paid to him by the association for his services, and the association shall pay such remuneration in priority to other current liabilities of the association.
- (4) Where an auditor is appointed pursuant to subsection (1) and the office of auditor becomes vacant, the directors may appoint an auditor, approved by the registrar, to hold office until the next annual meeting.

- (5) Every association shall, at the close of its fiscal year, as provided in the bylaws, submit its accounts to the auditor, who shall have access to all records, books, accounts, vouchers, documents and property of the association and is entitled to require from the directors, officers and employees of the association such information and explanation as in his opinion are necessary to enable him to report on the financial statement of the association.
- (6) The auditor shall examine the general statement of revenue and expenditure, including the trading and operating accounts and assets and liabilities of the association, and make such examination of the accounts and vouchers relating thereto as will permit him to report to the members or delegates as required by subsection (7).
- (7) The auditor shall make a report to the members or delegates on the financial statement and shall state in the report whether in his opinion the financial statement referred to therein presents fairly the financial position of the association and the results of its operations for the period under review in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period, if any.
- (8) Where the financial statement contains a statement of changes in net assets or a statement of source and application of funds, the auditor shall include in his report a statement whether in his opinion, in effect, the statement of changes in net assets or the statement of source and application of funds presents fairly the information shown therein.
- (9) The report of the auditor shall also include, where applicable, in accordance with his findings, statements indicating whether or not:
- (a) the financial statement of the association is in agreement with the records of the association;
 - (b) the financial statement of the association is in accordance with the requirements of this Act;
 - (c) he received all the information and explanations that he required; and
 - (d) proper records are kept by the association.
- (10) The report of the auditor on the financial statement of the association shall be laid before the association at the next annual general meeting thereof.
- (11) The auditor of the association or his representative is entitled to attend any meeting of the members or delegates of the association and to receive all notices and other communications relating to any such meeting that a member or delegate is entitled to receive, and to be heard at any such meeting that he attends on any part of the business of the meeting that concerns him as auditor.
- (12) At any meeting of the members or delegates the auditor or his representative if present shall answer inquiries directed to him concerning the basis upon which he formed the opinion stated in the report made under subsection (7).

Annual return

48(1) Every association shall within four months after the close of each financial year send to the registrar and to any member who requests it a general statement of the revenue and expenditure, assets and liabilities of the association for the financial year, together with a statement of:

- (a) the total quantity of each kind of products purchased from the members or from other persons, or delivered for sale to the association or any agency of the association by its members or by other persons, and the amount thereof remaining unsold;
- (b) the gross receipts of the association from the sale of all products;
- (c) the gross receipts of the association from other sources;
- (d) the total amount paid to members and to other persons who have delivered products to the association for sale or resale;
- (e) the total amount deducted from the gross receipts for salaries of officers and other employees;
- (f) the total amount deducted for all other expenses directly connected with the sale and marketing of products;
- (g) the total amount deducted for the purchase or other acquisition of real or personal property, the erection of buildings, the acquisition of mechanical or other facilities connected with handling, processing, manufacturing and marketing of products;
- (h) the total amount borrowed from members in the form of deductions or patronage dividends; and
- (i) the total deduction to provide for reserves;

accompanied by a copy of the annual report; and such statement and report shall be called the annual return.

(2) The association shall furnish to the registrar such additional information as he may require.

(3) Every association shall also send to every member thereof a copy of the last annual return of the association with the notice of the first general meeting of the association to be held after the end of the financial year.

Effect of annual return

49(1) The annual return of an association, as adopted, shall, after the expiration of the period of twelve months following its adoption by a general or special meeting of the members or of the delegates, as the case may be, be final, conclusive and binding on all members and on all other persons who have delivered products to the association for sale or resale and on all persons claiming through or under them or any of them.

(2) For greater certainty, but not so as to restrict the generality of subsection (1), the return shall be final, conclusive and binding as to the correctness of all charges and deductions made and all credits given or to be given and as to the result of the operations of the association; and neither the return nor the operation of the association nor anything in connection therewith shall be called into question in any way in any court of law or equity, save in an action brought for that purpose not later than twelve months next after the adoption of the return by a general or special meeting of the members or of the delegates, as the case may be.

R.S.S. 1965, c.247, s.49; R.S.S. 1978, c.C-36, s.49.

OFFENCES AND PENALTIES

Offences and penalties

50(1) It is an offence against this Act if an association:

- (a) fails to give any notice, make any return or do or allow to be done any act or thing that the association is by this Act required to give, make, do or allow to be done;
- (b) wilfully neglects or refuses to do any act, or make any record or return, or furnish any information required for the purposes of this Act by the registrar or other person authorized under this Act, or does any act or thing forbidden by this Act;
- (c) makes a record or return, or wilfully furnishes information, in any respect false or insufficient.

(2) Every offence against this Act by an association shall be deemed to have been also committed by every officer of the association who does the act constituting the offence or whose duty it is to do the thing the omission whereof constitutes the offence or, if there is no such officer, then by each of the directors, unless the officer or director is proved to have been ignorant of, or to have attempted to prevent, the commission of the offence.

(3) Every person, firm, corporation or association guilty of an offence against this Act is liable on summary conviction to a fine not exceeding \$100.

(4) If an association fails or refuses to forward a report or document required for the purposes of this Act its name may be removed from the register, at the discretion of the registrar.

(5) If an association remedies the default referred to in subsection (4) its name shall be restored to the register in accordance with the procedure outlined in subsection (5) of section 55.

R.S.S. 1965, c.247, s.50; R.S.S. 1978, c.C-36, s.50.

AMALGAMATIONS

Amalgamation of two or more associations

51(1) Subject to the approval of the registrar any two or more associations incorporated under this Act or incorporated by or under any other Act and registered under this Act may, pursuant to an agreement authorized by a special resolution of the members or delegates of each association, become amalgamated as one association, without any dissolution or division of funds of any of the amalgamating associations; and any association may with the approval of the registrar and by the special resolution so passed, transfer its obligations to any other association and that association may undertake to fulfil those obligations.

(2) An association may not amalgamate with another association if its liabilities exceed the realizable value of its assets or if it is unable to pay its debts when they become due.

(3) No amalgamation or transfer of obligations shall prejudice the rights of any creditor of an association that is a party thereto.

(4) A copy of a resolution passed by an association for any of the purposes of this section, duly signed by the president and secretary of the association shall, with such other information as the registrar requires, be sent to him for registration, and until the resolution is so registered the resolution shall have no force or effect.

(5) A notice to the effect that amalgamation proceedings have been completed and that this Act has been complied with shall be published in the *Gazette* and in one issue of a newspaper or newspapers published or circulating in the district or districts in which the registered offices of the amalgamated associations are situated.

R.S.S. 1965, c.247, s.51; 1969, c.10, s.6; R.S.S.
1978, c.C-36, s.51.

DISSOLUTION

By consent of members

52(1) Subject to the approval of the registrar an association may be dissolved by special resolution, in this section also referred to as “instrument of dissolution”.

(2) A special resolution under subsection (1) shall set forth in detail the assets and liabilities of the association, the claims of the creditors, if any, the number of members, the nature and amount of their equities in the association, including amounts paid on shares or membership certificates, or loaned to the association through the retention of patronage refunds or otherwise, and interest on capital, if any, at a rate not exceeding five per cent for one year only, and, subject to subsection (3), the intended disposition of any undistributed surplus remaining on hand after all the foregoing have been provided for, unless the same is stated in the special resolution to be left to the award of the registrar.

- (3) The undistributed surplus shall under the conditions set forth in the instrument of dissolution, be paid either:
- (a) if the amount is \$5,000 or less, to one or more local organizations or associations established for the purpose of promoting the welfare of the community in which the association is located by providing services for social welfare, health, civic improvement, education or for other objects of a benevolent or charitable nature; or
 - (b) if the amount is more than \$5,000, to one or more trustees named in the instrument of dissolution who shall deposit the money in a special trust account in a chartered bank or with a credit union or with Saskatchewan Co-operative Credit Society Limited, or invest it in bonds of Canada or Saskatchewan or in any other investment authorized by *The Trustee Act*, provided that the trust, both as to income and principal, shall be expended, within a period of twenty years from the establishment of the trust, for the purposes designated by the instrument of dissolution which shall be in accordance with clause (a) or for educational purposes of a province-wide nature. The instrument of dissolution shall also provide the manner in which vacancies among the trustees shall be filled.
- (4) A statutory declaration shall be made by the president and secretary of the association that this Act has been complied with, and shall be sent to the registrar with the instrument of dissolution.
- (5) The registrar, if he approves the instrument of dissolution, shall cause a notice of the dissolution to be advertised, at the expense of the association, in the *Gazette* and in a newspaper circulating in the district in which the head office of the association is situated.
- (6) Before approving the instrument of dissolution, the registrar may require evidence that those voting for the dissolution represent at least twenty-five per cent of the members' total interest in the association as shown by its annual return for the preceding financial year.
- (7) Where the registrar does not approve the instrument of dissolution on the ground that it did not receive the approval of those representing at least twenty-five per cent of the members' total interest or on such other grounds as may to him appear reasonable, he may request the directors to call a special meeting of the members to reconsider the dissolution.
- (8) Distribution of the assets of the association shall not be made until six weeks after the publication of the latest advertisement of dissolution. If in the meantime any new valid claims have been discovered, the amount of those claims shall be deducted from the amount of undistributed surplus set forth in the instrument of dissolution. If the new claims discovered amount to more than the amount of undistributed surplus, the whole matter shall then be referred to the registrar who may refuse dissolution proceedings under this section.
- (9) The registrar may require annual or other returns showing the progress of dissolution, the distribution of any surplus, or the progress of the administration of any trust in accordance with this section.

(10) When the holder or holders of any claims against the association, whether for debt, share capital invested or otherwise, cannot be discovered after reasonable investigation, the directors may deposit the amount of those claims in a chartered bank or with a credit union or with Saskatchewan Co-operative Credit Society Limited, and unless claimed by the holder or holders within a period of three years after the deposit, the directors may, with the approval of the registrar, pay such amounts with any interest accrued thereon to such organizations or associations or for such purposes as are mentioned in subsection (3).

(11) When the affairs of an association have been wound up, a statutory declaration to that effect shall be made by the president and secretary of the association and forwarded to the registrar. The declaration shall state that the affairs of the association have been wound up and that the provisions of this Act with respect to the dissolution of the association and the winding up of its affairs have been complied with.

(12) Where an association is dissolved pursuant to subsection (1) the members may appoint one or more liquidators to wind up the affairs of the association in accordance with the special resolution and this Act.

(13) Where the members of an association do not appoint a liquidator at the time the special resolution to dissolve the association is passed, the registrar shall, upon approving the special resolution, appoint a liquidator or liquidators to wind up the affairs of the association in accordance with the special resolution and this Act.

R.S.S. 1965, c.247, s.52; 1969, c.10, s.7; R.S.S.
1978, c.C-36, s.52.

Dissolution by registrar of associations ceasing to do business

53(1) When the registrar has reasonable cause to believe that an association is not carrying on business or is not in operation, he shall send to the secretary of the association, by mail, a letter inquiring whether the association is carrying on business or is in operation.

(2) If the registrar does not within one month of sending the letter receive an answer thereto, he shall within fourteen days after the expiration of the month send to the secretary of the association, by mail, a registered letter, referring to the first letter and stating that no answer thereto has been received by him, and that if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the *Gazette* with a view to striking the name of the association off the register.

(3) If the registrar receives an answer from the association to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive an answer thereto, the registrar may publish in the *Gazette* and send to the association a notice that at the expiration of one month from the date of that notice the name of the association mentioned therein will, unless cause is shown to the contrary, be struck off the register and the association dissolved.

(4) At the expiration of the time mentioned in the notice the registrar may, unless cause to the contrary is previously shown by the association, strike the name of the association off the register, and in that case he shall publish notice thereof in the *Gazette*, whereupon the association shall be dissolved.

(5) Where an association is dissolved under this section subsections (9) and (10) of section 52 apply.

(6) Where an association is dissolved under this section subsection (3) of section 52 applies to the distribution of any undistributed surplus that remains after the claims of creditors, if any, and equities of members, including amounts paid on shares or membership certificates or loaned to the association through the retention of patronage dividends or otherwise, have been provided for.

R.S.S. 1965, c.247, s.53; R.S.S. 1978, c.C-36, s.53.

Dissolution by Lieutenant Governor in Council

54(1) Subject to the approval of the Lieutenant Governor in Council, the minister may direct the registrar to dissolve by order an association incorporated under this Act if the minister is satisfied that:

- (a) the incorporation was obtained by fraud or mistake; or
 - (b) the association exists for an illegal purpose; or
 - (c) the association has wilfully, after notice by the registrar, violated any of the provisions of this Act or the bylaws; or
 - (d) the association is no longer operating on a co-operative basis; or
 - (e) the number of individuals who are members has been reduced below five, or, if the membership consists of associations, that the number of members has been reduced to one.
- (2) The registrar shall give the association not less than three months' notice of the proposed dissolution, specifying the reason therefor and stating that unless cause is shown to the contrary within that period, the name of the association shall be struck off the register and the association dissolved.
- (3) At the expiration of the time mentioned in the notice, the registrar may, unless cause is shown to the contrary, strike the name of the association off the register, and in that case he shall publish notice thereof in the *Gazette*, whereupon the association shall be dissolved.

R.S.S. 1965, c.247, s.54; R.S.S. 1978, c.C-36, s.54.

Dissolution by registrar for failure to account for business done

55(1) If an association fails to furnish to the members at an annual or special meeting, called for the purpose within a period of four months after the close of its financial year, the statement required by section 48 and fails within the same period to send to the registrar an annual report as required by the said section, the registrar may, unless the association furnishes satisfactory reasons for delaying the preparation of the financial statement and its presentation to an annual or special meeting for an additional period not exceeding three months, require the directors to call a special meeting of the association for the purpose of considering the business transacted during the preceding financial year and arrangements for furnishing to the members and to the registrar the information specified in section 48.

(2) If the directors fail to call a special meeting of the association the registrar may call a special meeting to review the financial position of the association and the members' interest therein, and to ascertain whether the members desire to continue the association in operation and to comply with section 48.

(3) If a quorum of members is not present at a special meeting called under subsection (2), or if the members fail to pass a resolution to the effect that the association shall carry on business with an accounting to the members as provided in section 48, the registrar may notify the directors by registered mail that unless section 48 is complied with within one month from the date of the notice, the association will be struck off the register and dissolved.

(4) The registrar may, at his discretion, extend the period mentioned in subsection (3), but if the default is not remedied in accordance with the notice or within such extended time, as the case may be, the registrar may strike the name of the association off the register, and in that case he shall publish notice thereof in the *Gazette*, whereupon the association shall be dissolved.

(5) If an association that has been struck off the register in accordance with this section subsequently complies with section 48 by furnishing to the members the information therein prescribed for the period of default and the members pass a resolution requesting that the association be restored to the register, the registrar shall, if he receives a satisfactory return for the period of default, restore the association to the register upon the payment of the fees prescribed for that purpose and publish in the *Gazette* a notice that the name of the association has been restored to the register and thereupon the association shall be deemed to have continued in existence, and the association and all persons shall be in the same position as if the name of the association had never been struck off.

(6) Where an association is dissolved under this section and has not been restored to the register pursuant to subsection (5), the provisions of subsections (9) and (10) of section 52 and subsection (6) of section 53 apply.

Appointment of liquidator in certain cases

56 Where an association is dissolved:

- (a) pursuant to subsection (4) of section 53 or subsection (3) of section 54; or
- (b) pursuant to subsection (4) of section 55 and the association is not within a reasonable time restored to the register pursuant to subsection (5) of that section;

the registrar may appoint a liquidator to wind up the affairs of the association in accordance with this Act and the costs and expenses incurred in connection with the winding up shall be paid out of the funds of the association.

R.S.S. 1965, c.247, s.56; R.S.S. 1978, c.C-36, s.56.

Commencement of winding up

57 A winding up of an association shall be deemed to commence at the time the special resolution for dissolution of the association is approved by the registrar under section 52, or at the time the name of the association is struck off the register under section 53, 54 or 55, as the case may be.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.57.

Business to cease on winding up

58 An association shall, from the date of the commencement of the winding up, cease to carry on its business except insofar as may be required for the beneficial winding up thereof; and any transfers of shares except transfers made to or with the sanction of the liquidator or liquidators, or any alteration in the status of the members of the association after the commencement of the winding up, is void.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.58.

Liquidator generally

59(1) Where two or more liquidators are appointed, all the provisions herein in reference to a liquidator shall apply to the liquidators.

(2) Upon the appointment of a liquidator under subsection (12) or (13) of section 52 or section 56, all the powers of the directors shall cease except insofar as the liquidator sanctions the continuance of those powers.

(3) Where several liquidators are appointed, every power hereby given may be exercised by such one or more of them as may be determined at the time of their appointment, or, in default of such determination, by any number of the liquidators not less than two.

(4) The members of an association may, at the time they appoint a liquidator or at a subsequent general meeting, pass a resolution or order directing the liquidator how to dispose of the property, real or personal, of the association; and in default of their doing so the liquidator is subject to the directions, orders and instructions of the registrar with regard to the manner, terms and conditions under which the liquidator may dispose of the whole or any part of the property of the association.

(5) Where a vacancy in the office of liquidator occurs by reason of death, resignation or otherwise, the registrar may appoint another person to fill the vacancy.

(6) In all proceedings connected with the association the liquidator shall be described as “the liquidator of the”, and not by his individual name only.
(name of association)

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.59.

Control of property

60(1) A liquidator, upon his appointment, shall take into his custody or under his control all the property, effects and things in action to which the association is or appears to be entitled.

(2) The liquidator shall, within sixty days after his appointment, prepare a statement of the assets, debts and liabilities of the association and of the value of such assets as shown by his books and records, and shall forthwith send a copy thereof to the registrar.

(3) The liquidator may:

(a) bring or defend any action or other legal proceeding in the name and on behalf of the association;

(b) carry on the business of the association so far as may be necessary for the beneficial winding up thereof;

(c) sell the real and personal property and things in action of the association by public auction or private contract and transfer the whole thereof to any person or sell the same in parcels;

(d) employ an agent to do any business that the liquidator is unable to do himself;

(e) make any compromise or arrangement with any creditor or class of creditors or any person claiming to be a creditor or having or alleging to have any claim, present or future, certain or contingent, ascertained or sounding only in damages against the association or whereby the association may be rendered liable;

(f) make any compromise or arrangement in respect of calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, ascertained or sounding only in damages, subsisting or supposed to subsist between the association and a contributory, or alleged contributory, or other debtor or person possibly involving liability to the association, and all questions in any way relating to or affecting the assets or the winding up of the association, on such terms as may be agreed upon, and may take any security for the discharge of any such call, debt, liability or claim and give a complete discharge in respect thereof;

(g) do all acts and execute, in the name and on behalf of the association, all deeds, receipts and other documents, and for that purpose use, when necessary, the seal of the association;

(h) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the association with the same effect with respect to the liability of the association as if the bill or note had been drawn, accepted, made or endorsed by or on behalf of the association in the course of its business;

(i) do such other things as are necessary for winding up the affairs of the association and distributing its assets.

- (4) The liquidator shall not employ a solicitor without the consent of the members of the association or the approval in writing of the registrar.
- (5) The liquidator shall not purchase directly or indirectly any part of the stock-in-trade, debts or assets of any description of the association.
- (6) The liquidator shall deposit in a chartered bank or credit union all sums of money that he has in his hands belonging to the association whenever those sums amount to \$100 and the deposits shall not be made in the name of the liquidator generally but a separate deposit account shall be kept for the association of the moneys belonging to the association, in the name of the liquidator as such.
- (7) The liquidator shall furnish to the registrar such annual or other returns as the registrar may require showing the progress of the winding up, the distribution of any surplus and any other information the registrar may require.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.60.

Creditors' claims

- 61**(1) The liquidator may fix and in accordance with subsection (3) give notice of a day on or before which creditors of the association and others having claims thereon are to send in their claims.
- (2) The day fixed under subsection (1) shall not be less than two months from the first publication of notice thereof.
- (3) Where the liquidator has given notice of the day fixed under subsection (1) by publication in an issue of a newspaper published at or nearest to the chief place of business of the association in each of the first four weeks of the period of two months mentioned in subsection (2), the liquidator may, at the expiration of the time for sending in such claims, distribute the assets of the association or any part thereof among the parties entitled thereto, having regard to the claims of which the liquidator then has notice; and the liquidator is not liable for the assets or any part thereof so distributed to any person of whose claim the liquidator had no notice at the time of distribution.
- (4) Nothing in this Act affects the right of any creditor or claimant to follow assets into the hands of a person who has received them.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.61.

Wages priority

- 62** In distributing the assets of an association the liquidator shall pay, in priority to the claims of the ordinary or general creditors of the association, the wages or salary of all persons, other than directors, in the employment of the association at the time of the commencement of the winding up, or within one month before, not exceeding three months' wages or salary, and those persons shall be entitled to rank as ordinary or general creditors of the association for the residue, if any, of their claims.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.62.

Costs of liquidation to be paid

- 63** All costs, charges and expenses properly incurred in the winding up of an association, including the remuneration of the liquidator, are payable out of the assets of the association in priority to all other claims.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.63.

Liquidator's remuneration

64 Where there is no agreement or provision fixing the non remuneration of the liquidator, he is entitled to a commission on the net proceeds of the estate of the association of every kind after deducting expenses and disbursements, such commission to be five per cent on any amount realized not exceeding \$1,000, the further sum of two and a half per cent on any amount realized in excess of \$1,000 and not exceeding \$5,000, and a further sum of one and a quarter per cent on any amount realized in excess of \$5,000, and such commission is in lieu of all fees and charges for his services.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.64.

Statutory declaration of liquidator

65(1) When the affairs of an association have been wound up a statutory declaration to that effect shall be made by the liquidator and forwarded to the registrar and the declaration shall state that the affairs of the association have been wound up and that the provisions of this Act with respect to the winding up of the association have been complied with.

(2) The liquidator shall prepare and file with the registrar together with the declaration under subsection (1) a detailed statement showing all receipts and disbursements and such other information as the registrar may require.

1969, c.10, s.8; R.S.S. 1978, c.C-36, s.65.

Settlements in event of dissolution

66 In the case of a dissolution of an association under this Act, the association shall nevertheless be considered as subsisting and be in all respects subject to this Act, so long and so far as any matter relating to the association remains unsettled, to the intent that the association may do all things necessary to the winding up of the concerns thereof and may sue and be sued under this Act in respect of all unsettled matters.

R.S.S. 1965, c.247, s.57; R.S.S. 1978, c.C-36, s.66.

Retention of books and records of dissolved association

67 The books and records of an association dissolved under this Act shall be retained by the liquidator or other person responsible for the winding up of the affairs of the association for a period of not less than five years after the publication of the notice of dissolution in the *Gazette*.

R.S.S. 1965, c.247, s.58; R.S.S. 1978, c.C-36, s.67.

DUTIES OF REGISTRAR

Inspection and advice

68 The registrar shall provide for such inspection, examination and advice regarding the affairs of each association as may be necessary to assist its officers and members in due observance of and compliance with this Act and in the achievement of the objects of the association on a co-operative basis.

R.S.S. 1965, c.247, s.59; R.S.S. 1978, c.C-36, s.68.

c. C-36**CO-OPERATIVE MARKETING ASSOCIATIONS****Assistance with organization**

69 The registrar shall, at the request of any person or groups of persons interested in the organization of a co-operative marketing association under this Act, furnish such information regarding co-operative principles, practices and organization procedure as will assist in determining the feasibility of organization and facilitate incorporation.

R.S.S. 1965, c.247, s.60; R.S.S. 1978, c.C-36, s.69.

Form of returns and documents

70 Subject to section 48, every return and other document required for the purpose of this Act shall be made in the form and shall contain the particulars prescribed by the registrar.

R.S.S. 1965, c.247, s.61; R.S.S. 1978, c.C-36, s.70.

Inspection of records

71(1) Upon payment of the prescribed fee, any person may inspect in the office of the registrar the memorandum of association and bylaws of an association incorporated or registered under this Act.

(2) A certified copy of the memorandum of association and bylaws of an association incorporated or registered under this Act may be furnished at cost.

(3) Except with the consent of the registrar, no other document or part thereof relating to an association incorporated or registered under this Act shall be available for search.

R.S.S. 1965, c.247, s.62; R.S.S. 1978, c.C-36, s.71.

Preparation of bylaws by registrar

72 The registrar shall upon written request prepare such bylaws as may be required for the regulation, government and management of a proposed association, provided the request is accompanied by an outline of the object and business of the proposed association.

R.S.S. 1965, c.247, s.63; R.S.S. 1978, c.C-36, s.72.

FEES**Fees**

73 The fees payable to the registrar for services under this Act shall be prescribed by the Lieutenant Governor in Council.

R.S.S. 1965, c.247, s.64; R.S.S. 1978, c.C-36, s.73.

Disposal of fees

74 All fees received by the registrar under or by virtue of this Act shall be paid by him into and form part of the consolidated fund.

R.S.S. 1965, c.247, s.65; R.S.S. 1978, c.C-36, s.74.

APPLICATION OF CERTAIN ACTS

Companies Act

75 Every association with share capital shall be deemed to be a company within the meaning of section 247 of *The Companies Act* to the extent that the provisions of that Act are not inconsistent with the provisions of this Act.

R.S.S. 1965, c.247, s.66; R.S.S. 1978, c.C-36, s.75.

Securities Act and Companies Act

76 Neither *The Securities Act* nor any of the provisions of *The Companies Act* with respect to the sale of shares or securities apply to an association incorporated or registered under this Act, provided that an association that intends to invite its members or the public or both to subscribe for or purchase bonds, debentures or debenture stock of the association shall, before making such offer, file with the registrar such information as he may require, including the amount to be offered for purchase or subscription, the purposes for which the amount subscribed or purchased will be used, and the security to be offered.

R.S.S. 1965, c.247, s.67; R.S.S. 1978, c.C-36, s.76.

EXTENSION OF OPERATION OF ACT

Other associations or companies may register

77(1) Every company or association incorporated or registered under the authority of any Act of the Legislature of Saskatchewan or of any other province or of the Parliament of Canada, that has as part of its corporate name the word "Co-operative" or "Pool" and has as its general object the marketing of products on the non-profit co-operative basis for its members or members and other persons who are customers of the association, and every marketing board handling a plan that is a co-operative project under *The Natural Products Marketing Act*, may, subject to subsection (2), avail itself of the provisions of this Act or any of them to the extent that those provisions are not inconsistent with the Act by or under which it was incorporated, if it files with the registrar such evidence of its incorporation as he may require.

(2) On such evidence being filed, the registrar may register the company or association or marketing board and, if he does so, shall issue a certificate of registration (form C) to the company or association or marketing board, and shall publish a notice thereof in one issue of the *Gazette*. Thereupon all the provisions of this Act, not inconsistent with the Act by or under which the company or association or marketing board was incorporated, shall apply to the company or association or marketing board, and the certificate (form C) shall be conclusive evidence of registration.

(3) Any association or company registered in accordance with this section may become a member of an association incorporated under this Act if the bylaws of that incorporated association provide for the admission of associations as members.

(4) The provisions of *The Companies Act* with respect to the registration of extra-provincial companies shall not apply to an association or company registered under this section.

R.S.S. 1965, c.247, s.68; R.S.S. 1978, c.C-36, s.77.

Removal from register

78 If the registrar has reasonable cause to believe that a company, association or marketing board registered under section 77 is no longer carrying on business on a co-operative basis, or is not in operation, or that registration was obtained by fraud or mistake, he may, after giving the company, association or marketing board at least three months' notice of his intention to do so, strike the name of the company, association or marketing board off the register unless cause is shown to the contrary, and if the name is so struck off the registrar shall publish notice thereof in the *Gazette*.

R.S.S. 1965, c.247, s.69; R.S.S. 1978, c.C-36, s.78.

Certain companies and associations may withdraw from registration

79(1) Any company or association registered in accordance with section 77 may, pursuant to a special resolution passed by the members or shareholders at an annual general or special meeting, apply to have the registration withdrawn by filing with the registrar a copy of the special resolution.

(2) A copy of a special resolution filed under subsection (1) shall be under the seal of the company or association in respect of which the application is made, and shall be certified by the president and secretary of the company or association to be a true copy of the special resolution.

(3) Upon receipt of a copy of a special resolution filed by the company or association in accordance with this section the registrar may, upon compliance by the company or association with such conditions as he may prescribe, remove the name of the company or association from the register, and if the name is so removed the registrar shall publish notice thereof in the *Gazette*.

1969, c.10, s.9; R.S.S. 1978, c.C-36, s.79.

SCHEDULE

FORM A

(Section 4(1))

The Co-operative Marketing Associations Act

MEMORANDUM OF ASSOCIATION

1. We (*insert name, address and occupation of at least five subscribers, or at least two officers of each association if memorandum is made by co-operative associations*) desire to form an association under *The Co-operative Marketing Associations Act*.

2. The corporate name of the association is to be (*insert name proposed*) Co-operative Marketing Association, Limited.

3. The head office of the association is to be at _____ in the Province of Saskatchewan.

4. The objects for which the association is to be formed are:

(Insert objects—See subsection (1) of section 4 and subsection (1) of section 8 of The Co-operative Marketing Associations Act.)

5. The capital stock of the association is to consist of (*insert number*) shares of (*insert a par value*) each.

or

5. The capital stock of the association is unlimited in amount and is to consist of shares of (*insert par value*) each.

or

5. The association is to be organized without share capital. (*Number*) persons are now willing to become members and have paid their fee. (*State the basis on which the interest of each member of the association will be computed or, if there are two or more classes of members, the basis on which the interest of each member of each class of members will be computed*).

6. The liability of the members is limited.

7. The board of directors is to consist of (*insert number*) who shall be members of the association and otherwise qualified as set out in the bylaws filed herewith.

8. The following subscribers to this Memorandum of Association have consented to act and have been appointed provisional directors (*See section 26 (2)*).

Dated at _____ in the Province of Saskatchewan, this ____ day of _____ 19 ____ .

Witness:

.....
.....
.....
.....
.....
.....

FORM B

(Section 4(4))

The Co-operative Marketing Associations Act

CERTIFICATE OF INCORPORATION

The _____ Co-operative Marketing Association, Limited, having filed a duly executed Memorandum of Association, is incorporated under *The Co-operative Marketing Associations Act*, this ____ day of _____, 19 ____ .

.....
Registrar of Co-operative Marketing Associations of Saskatchewan.

FORM C

(Section 77(2))

The Co-operative Marketing Associations Act

CERTIFICATE OF REGISTRATION

The _____ Association Limited, duly incorporated under the provisions of _____ having filed the required documentary evidence, is registered under *The Co-operative Marketing Associations Act*, this ____ day of _____, 19 ____ .

.....
Registrar of Co-operative Marketing Associations of Saskatchewan.