

UNEDITED

The Co-operative Marketing Associations Act

being

Chapter 225 of *The Revised Statutes of Saskatchewan, 1953*
(effective February 1, 1954).

FOR HISTORICAL REFERENCE ONLY

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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CHAPTER 225

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. 1953, c.225, s.1.

INTERPRETATION

Interpretation

- 2 In this Act:

“association”

- 1 “**association**” means an association incorporated or company or association registered under the provisions of this Act or any former *Co-operative Marketing Associations Act*;

“member”

- 2 “**member**” in the case of an association with a share capital means the holder of a share or shares in the association and in the case of an association without a share capital means a person who has complied with the provisions of the organization bylaws of the association governing the admission of members, which bylaws may provide for two or more designated classes of members;

“products”

- 3 “**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 cordwood and fish;

“registrar”

- 4 “**registrar**” means the Registrar of Co-operative Marketing Associations for Saskatchewan or any person acting for the registrar.

R.S.S. 1940, c.180, s.2; 1949, c.79, s.2; R.S.S.
1953, c.225, s.2.

REGISTRAR

Procedure

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

1944 (2nd. Sess.) c.45, s.1; R.S.S. 1953, c.225,
s.3.

INCORPORATION

Procedure

4(1) Any ten or more persons resident in Saskatchewan, or any two or more co-operative associations with their head offices in Saskatchewan, desiring to associate together as an incorporated association for the general purpose of either with or without capital divided into shares, 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 five persons duly authorized to sign shall sign the memorandum in behalf of each association, and that 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 any 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 under subsection (5), the registrar shall, if satisfied that incorporation is economically feasible and if he otherwise approves of incorporation, issue a certificate of incorporation (form B). The subscribers to the memorandum and such other persons as may thereafter become members of the association shall thereupon become and be a body corporate and politic under its registered name, and the certificate shall be conclusive evidence of such incorporation.

(5) Before issuing a certificate of incorporation the registrar may require such additional information as he deems necessary regarding the objects of the proposed association and the economic advisability of incorporation.

(6) The registrar shall cause a notice of such incorporation to be published, at the expense of the association, in one issue of *The Saskatchewan Gazette*, and shall be paid, at the time of filing the memorandum, the charges prescribed under section 43.

R.S.S. 1940, c.180, s.4; 1944, c.63, s.2; 1946, c.66, s.2; 1947, c.73, s.2; R.S.S. 1953, c.225, s.4.

Contents of memorandum of associations

5(1) The memorandum of association shall state the section name of the association, its objects, the number of directors, the amount of share capital with which the association proposes to be registered and the division thereof into shares of a fixed amount, if there is any share capital, and also the place in Saskatchewan at which the registered office of the association is to be situated.

(2) Subject to the provisions of 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) Where there is no share capital 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) 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.

(4) There shall be inserted in the memorandum of association a statement of objects or powers suitable for attaining the general purposes of the association, and, in particular, there may be inserted therein any or all the following:

- (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 13 eligible for admission as members, or the manufacturing or buying, selling or marketing of the by-products thereof;
- (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 of the association's property, both present and future including its uncalled capital, and to purchase, redeem or pay off any such securities;
- (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;
- (d) to act as mercantile agent for its members or any of them under such terms and conditions as may be set forth in the organization bylaws;
- (e) to enter into any contract or arrangement whatever for or incidental to the selling or marketing of products on a co-operative basis;
- (f) to advance money to its members on such terms as may seem expedient;
- (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 of another association by separate employment;

- (h) to enter into any arrangements with any governments or other authorities, municipal, local or otherwise 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 which the association may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
- (i) to purchase or otherwise acquire all or any part of or any interest in the business, goodwill and assets, 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 or 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;
- (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;
- (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;
- (l) to take from the government of any country, province or state the power to carry on therein any business which the association is authorized to carry on;
- (m) generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property, and any rights or privileges which 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;
- (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;
- (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;
- (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;
- (q) to do all or any of the above things as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in connection with others;
- (r) to do all other things incidental or conducive to the attainment of the above objects or any of them.

ORGANIZATION BYLAWS

Registration

6(1) There shall be registered with the memorandum of association, subject to approval by the registrar, printed or typewritten organization bylaws, in duplicate, not inconsistent with the provisions of this Act, divided into consecutively numbered paragraphs and signed by each subscriber to the memorandum of association in the presence of a witness who shall attest the signature.

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

R.S.S. 1940, c.180, s.6; R.S.S. 1953, c.225, s.6.

Contents

7(1) Subject to the other provisions of this Act the organization bylaws may provide for any or all of the following matters:

- (a) the time, place and manner of calling and conducting meetings of the association;
- (b) the number of members or delegates, or, where a meeting is composed of members and delegates, the number of members and the number of delegates, to constitute a quorum;
- (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;
- (d) the number of directors to constitute a quorum;
- (e) the qualifications, compensation, duties, term of office and method of removal of directors and officers;
- (f) the time of their election and the mode and manner of giving notice thereof;
- (g) the amount of entrance and membership fees, if any;
- (h) the manner and method of collection of the same, and the purposes for which they may be used;
- (i) the number of shares, if there are shares, that any one member may hold, and the method of payment for shares;
- (j) the amount which any member shall be required to pay annually, or from time to time, if at all, to carry on the business of the association;
- (k) the charge, if any, to be paid by each member for services rendered by the association to him, the time of payment and manner of collection of the same;
- (l) the terms of the contract between the association and its members or the members of a section or class, which every member of the association or every member of a section or class, as the case may be, may be required to sign;

- (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 bylaw 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;
- (n) the acceptance or non-acceptance by the association of assignments by members of moneys payable to them by the association and the cancellation of acceptances heretofore made after giving one month's notice in writing to the assignee;
- (o) a referendum on any problem of general concern to the members of the association;
- (p) the number and qualifications of 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 of 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;
- (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;
- (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;
- (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;

- (t) the division into districts of the territory in which the association has members; 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 and of the members of the other sections or of the other classes of members, as the case may be, 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 other members; and the number of votes which each delegate may cast at such meetings;
- (u) where the members or any of them are co-operative associations:
 - (i) the government or control of the association by delegates to be elected or appointed by the member associations, or for the government or control of the association partly by delegates so elected or appointed and partly by members, in such manner as may be provided by the organization bylaws and that such delegates may exercise fully and completely in every way the powers of the members of the association which they represent or such of those powers as may be specified in the bylaw;
 - (ii) that a meeting of the delegates or a meeting partly of delegates and partly of members shall take the place fully and effectually in every way of a meeting of the members of the association;
 - (iii) the appointment and dismissal of directors at meetings of delegates or meetings of delegates and members;
 - (iv) the remuneration and payment of expenses of delegates in connection with the business of the association;
- (v) the formation of an executive committee and the allotment to such committee of the functions and powers of the board of directors, subject to the general direction and control of that board;
- (w) the sale or resale by the association of products delivered to it by its members or other person 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 six per cent per annum on shares and the amounts referred to in any organization bylaw passed under the provisions of section 8;

(x) 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 on a patronage basis among the members, 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 six per cent per annum on shares and the amounts referred to in any organization bylaw passed under the provisions of section 8;

(y) 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;

(z) 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.

(2) Amounts deducted pursuant to bylaws passed under clauses (y) and (z) of subsection (1) shall be used only for purposes mentioned in clause (w) of that subsection.

(3) Where there is no share capital the organization bylaws shall make provision for the admission of new members.

R.S.S. 1940, c.180, s.7; 1949, c.79, s.4; R.S.S.
1953, c.225, s.7.

Deduction from sums payable to non-members

8(1) The organization bylaws may provide for the deduction from that part of the sale or resale price of products which 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 which shall be retained by the association and placed to the credit of such person until an amount equal to the par value of one share or to a membership fee, as the case may be, has accumulated, where upon a share certificate for one share shall be issued to him or such membership fee shall have been deemed to have been paid, and such 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 such 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 organization bylaws governing the admission of members.

(2) The organization bylaws may provide that, where the amounts so deducted from such sale or resale price and placed to the credit of such person have been retained by the association for a period of two years from the date on which the last of such 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, such 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 such person nor any person claiming by, from, through or under him shall have any right to or property in such amounts; provided that the bylaws may also provide that, subject to such conditions precedent as may be set forth therein, such amounts, may, instead of reverting to and becoming the sole property of the association, be paid by the association to such person.

(3) The organization bylaws may provide for the deduction and retention by the association of the membership fee of a member of the association or of a member of any class or section of members from the amount of the interest of the member in the association. Notice of such deduction shall be given to the member.

R.S.S. 1940, c.180, s.8; 1949, c.79, s.5; R.S.S. 1953, c.225, s.8.

AMENDMENT OF MEMORANDUM AND ORGANIZATION BYLAWS**Procedure**

9 The memorandum of association or the bylaws may be amended by bylaw of the directors to be approved in the case of the memorandum by two-thirds, and in the case of the bylaws by a majority, of the votes of the members or delegates or members and delegates present and entitled to vote at any annual meeting or any other general meeting duly called to consider the same, but all such alterations shall be subject to the approval of the registrar and to the provisions of this Act as to registration and otherwise.

R.S.S. 1940, c.180, s.9; R.S.S. 1953, c.225, s.9.

Effect

10 The memorandum of association and the organization bylaws and amendments thereto shall, when registered, bind the association and the members thereof and the other persons who deliver products to the association, to the same extent as if they had respectively been signed and sealed by each member and by each such person and contained covenants on the part of each member and each such person, his heirs, executors and administrators to observe all the provisions thereof subject to the provisions of this Act.

R.S.S. 1940, c.180, s.10; R.S.S. 1953, c.225, s.10.

MARKETING CONTRACTS**Contents**

11(1) An association and its members may make and execute marketing contracts requiring the members to sell or deliver for sale, for any period of time not exceeding seven years, 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) The contract may provide that the association may sell or resell the products delivered by its members with or without taking title thereto, and pay over to its members 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 property 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 six per cent per annum on shares.

(3) The marketing contract may provide for payment by the members 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.

R.S.S. 1940, c.180, s.11; R.S.S. 1953, c.225, s.11.

Penalty for inducing breach of contract

12(1) Every person who, having knowledge of the existence of a marketing contract between a member, or other person, and an association, wilfully either induces, aids or abets anyone to deliver or sell, or accepts, or receives for sale or for auction or for display for sale, any product which is the subject matter of such contract, otherwise than in accordance with the terms of the contract, is guilty of an offence and liable on summary conviction to a fine of not less than \$10 nor more than \$200.

(2) Notwithstanding anything contained in this Act, subsection (1) applies to all co-operative marketing associations incorporated by or under the authority of any Act of Saskatchewan.

R.S.S. 1940, c.180, s.12; R.S.S. 1953, c.225, s.12.

MEMBERSHIP

Persons admissible as members

13 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 the co-operative plan and which are incorporated or registered under the provisions of *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.

R.S.S. 1940, c.180, s.13; 1949, c.79, s.6; R.S.S. 1953, c.225, s.13.

Certificate of membership

14(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 a 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. 1940, c.180, s.14; R.S.S. 1953, c.225, s.14.

Limitation upon holding shares

15 Shares of the association shall not be issued to or held by persons who are not engaged in the production of products handled by the association, nor issued to or held by co-operative associations other than those admissible as members of the association under section 13, and such information shall be printed on every share certificate.

R.S.S. 1940, c.180, s.15; R.S.S. 1953, c.225, s.15.

Purchase of shares by association

16 The association may, at such times as may be specified in its bylaws, purchase any of its own shares which may be offered for sale and pay for them in cash within one year thereafter; provided that this power shall not be exercised when the liabilities of the association exceed fifty per cent of its assets.

R.S.S. 1940, c.180, s.16; R.S.S. 1953, c.225, s.16.

Liability of members

17 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 any promissory note given in payment thereof.

R.S.S. 1940, c.180, s.17; R.S.S. 1953, c.225, s.17.

Delegation of members' powers to delegates

18(1) When under an organization bylaw heretofore powers to 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.

(2) When under an organization bylaw any power of the members of the association has been delegated to a meeting composed of members and delegates, such power shall, while the bylaw is in force, be exercised only by a meeting composed of members and delegates, and all references in this Act to members shall with respect to the exercise of such power be deemed to be references to a meeting composed of members and delegates.

R.S.S. 1940, c.180, s.18; 1947, c.73, s.3; R.S.S. 1953, c.225, s.18.

Voting

19 Except in the case of delegates, no members shall be entitled to more than one vote, and there shall be no voting by proxy.

R.S.S. 1940, c.180, s.19; R.S.S. 1953, c.225, s.19.

Transfer of interest of deceased member

20(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 \$200, 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 such member in the association or pay any or all of the moneys payable with respect to such 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 such executor or trustee notwithstanding the fact that the executor or trustee has not applied for letters probate in Saskatchewan. Upon receipt of such payment the executor shall pay over the moneys received, in accordance with the terms of such will; and a receipt from such 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 theretofore ceased to be a member of the association, there remains unpaid any 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 such person were a member of the association at the time of his death and as if such sum of money were his interest in the association.

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

R.S.S. 1940, c.180, s.20; R.S.S. 1953, c.225, s.20.

Lien for debts of members

21 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. 1940, c.180, s.21; R.S.S. 1953, c.225, s.21.

DIRECTORS AND OFFICERS

Powers

22 The directors may by resolution exercise all the powers of the association set out in the memorandum of association or in the organization bylaws, or granted to the association hereunder.

R.S.S. 1940, c.180, s.22; R.S.S. 1953, c.225, s.22.

Election of officers

23 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, who need not be a member of the association.

R.S.S. 1940, c.180, s.23; R.S.S. 1953, c.225, s.23.

Vacancies

24(1) 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 organization bylaws otherwise provide, fill the vacancy.

(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.

R.S.S. 1940, c.180, s.24; 1949, c.79, s.7; R.S.S. 1953, c.225, s.24.

Directors' contracts

25 No director during his term of office shall be a party to any contract for profit with the association which confers upon him any rights other than those accorded to members generally.

R.S.S. 1940, c.180, s.25; R.S.S. 1953, c.225, s.25.

Security

26 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 shall, before entering upon the duties of his office, give such security as is deemed necessary by the directors, which security may be varied in amount and renewed from time to time.

1949, c.79, s.8; R.S.S. 1953, c.225, s.26.

Remuneration

27 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. 1940, c.180, s.26; R.S.S. 1953, c.225, s.27.

MEETINGS

Regular meetings

28(1) Every association shall by bylaw provide for one or more general meetings annually. Any matter affecting the association or its affairs may be dealt with at a general meeting.

(2) Unless the bylaws otherwise provide, notice of all general meetings 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.

R.S.S. 1940, c.180, s.27; 1952, c.81, s.2; R.S.S. 1953, c.225, s.28.

Special meetings

29(1) The directors may call a special meeting of the members or of the delegates or of members and delegates, as the case may be, at any time, and ten per cent of the members or twenty-five per cent of the district 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. 1940, c.180, s.28; 1952, c.81, s.3; R.S.S. 1953, c.225, s.29.

Registrar may prescribe manner of calling meetings

30 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 such meeting.

1952, c.81, s.4; R.S.S. 1953, c.225, s.30.

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

31(1) A register, or list of members, shall be kept by every association, and such 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 such 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 such.

(2) A proper set of commercial books shall be kept, and shall show clearly all transactions of the association.

R.S.S. 1940, c.180, s.29; R.S.S. 1953, c.225, s.31.

Records open to inspection

32 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 such member.

R.S.S. 1940, c.180, s.30; R.S.S. 1953, c.225, s.32.

ACCOUNTS AND RETURNS**Annual audit**

33(1) At the annual meeting of the association, the members or delegates or the members and 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) Every association shall, at the close of its financial year, as provided in the organization bylaws, submit its accounts to the auditor, who shall have access to all books and accounts of the association, shall examine the general statement of revenue and expenditure, assets and liabilities, verify the same with the accounts and vouchers relating thereto, and either sign the same, as found by him to be correct, duly vouched and in accordance with the law, or specially report to the association in what respect he found any entry or account incorrect, unvouched or not in accordance with the law.

1947, c.73, s.4; R.S.S. 1953, c.225, s.33.

Annual return

34(1) Every association shall within two months after the close of each financial year send to the registrar and to any member who requests same 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 the handling, processing, manufacturing and marketing of products; and
- (h) 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.

(4) Every return and other document required for the purposes of this Act shall be made in such form and shall contain such further particulars as the registrar may prescribe.

R.S.S. 1940, c.180, s.32; R.S.S. 1953, c.225, s.34.

Effect of annual return

35(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 or of members and 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 thereof 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 such 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 or of members and delegates as the case may be.

R.S.S. 1940, c.180, s.33; R.S.S. 1953, c.225, s.35.

OFFENCES AND PENALTIES

Offences and penalties

36(1) It shall be an offence against this Act if any association:

- (a) fails to give any notice, make any return or do or allow to be done any act or thing which 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 such offence or, if there is no such officer, then by each of the directors, unless such officer or director is proved to have been ignorant of, or to have attempted to prevent, the commission of such offence.

(3) Any person 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 any report or document its name may be removed from the register, at the discretion of the registrar.

R.S.S. 1940, c.180, s.34; R.S.S. 1953, c.225, s.36.

AMALGAMATIONS

Amalgamation of two or more associations

37(1) Any two or more associations incorporated under this Act or incorporated by or under any other Act of the Legislature and registered under this Act may, pursuant to agreement authorized by resolutions passed by at least three-fourths of the members present at general meetings of the associations, or at special meetings called for the purpose, become amalgamated as one association, without any dissolution or division of funds of any of the amalgamating associations; and any association may, by resolution so passed, transfer its obligations to any other association and that association may undertake to fulfil such obligations.

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

(3) 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.

(4) A notice to the effect that amalgamation proceedings have been completed and that the provisions of this Act have 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.

1949, c.79, s.9; R.S.S. 1953, c.225, s.37.

DISSOLUTION

By consent of members

38(1) An association may be dissolved by consent of one-half of the members or delegates or members and delegates, as the case may be, present and entitled to vote at a duly called special or regular meeting called to consider dissolution, testified by their signatures to an instrument of dissolution.

(2) The instrument of dissolution shall set forth in detail the assets and liabilities of the association, the number of members, and the nature of their respective interests in the association, the claims of creditors, if any, and the provision to be made for their payment, and the intended appropriation or division of the funds or property of the association unless the same is stated in the instrument of dissolution to be left to the award of the registrar.

(3) A statutory declaration shall be made by the president and secretary” of the association that the provisions of this Act have been complied with and shall be sent to the registrar with the instrument of dissolution.

(4) The registrar shall cause a notice of the dissolution to be advertised, at the expense of the association, in the *Gazette* and in some newspaper circulating in the district in which the head office of the association is situated.

R.S.S. 1940, c.180, s.35; R.S.S. 1953, c.225, s.38.

By registrar

39(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 post, 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 post, 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 such case he shall publish notice thereof in the Gazette, whereupon the association shall be dissolved.

R.S.S. 1940, c.180, s.36; R.S.S. 1953, c.225, s.39.

Settlements in event of dissolution

40 In 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 same 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 such unsettled matters.

R.S.S. 1940, c.180, s.37; R.S.S. 1953, c.225, s.40.

Liquidators' returns

41(1) If an association is wound up under *The Companies Winding Up Act*, the liquidators shall, when the affairs of the company have been fully wound up and a general meeting has been called for the purpose of having the liquidators' accounts laid before it, forward to the Registrar of Co-operative Marketing Associations a duplicate of the return required to be made to the Registrar of Joint Stock Companies, and the registrar shall file such return in his office.

(2) If the liquidators make default in transmitting the return mentioned in subsection (1), they are guilty of an offence and severally liable on summary conviction to a fine of \$5 for every day during which the default continues.

R.S.S. 1940, c.180, s.38; R.S.S. 1953, c.225, s.41.

GENERAL

Inspection of records

42(1) Upon payment of the prescribed fee, any person may inspect in the office of the registrar the memorandum of association and organization bylaws of any association incorporated under this Act.

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

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

1946, c.66, s.3; R.S.S. 1953, c.225, s.42.

Fees

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

1950, c.67, s.2; R.S.S. 1953, c.225, s.43.

Disposal of fees

44 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. 1940, c.180, s.40; R.S.S. 1953, c.225, s.44.

Application of *Companies Act*

45 Every association with share capital shall be deemed to be a company within the meaning of section 245 of *The Companies Act* to the extent that the provisions of the said Act are not inconsistent with the provisions of this Act.

R.S.S. 1940, c.180, s.41; R.S.S. 1953, c.225, s.45.

Securities Act

46 *The Securities Act* does not apply to the shares and securities of an association incorporated or registered under this Act.

1949, c.79, s.10; R.S.S. 1953, c.225, s.46.

Deductions from proceeds of sales

47 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 subsection (2) of section 11 or by bylaws passed under subsection (1) of section 7 or by a bylaw passed under section 8.

R.S.S. 1940, c.180, s.43; 1949, c.79, s.11; R.S.S. 1953, c.225, s.47.

Extension of operation of Act

48(1) Every company or association incorporated under the authority of any Act of the Legislature of Saskatchewan or of any other province or of the Parliament of Canada which has as part of its corporate name the word “co-operative” or “pool” and which has as its general object the marketing of products on the non-profit co-operative plan, and every marketing board handling a plan which is a cooperative project under *The Natural Products Marketing Act*, may, subject to subsection (2), avail itself of the provisions of this Act to the extent that such provisions are not inconsistent with the Act 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.

R.S.S. 1940, c.180, s.44; 1944, c.63, s.3; 1946, c.66, s.4; 1947, c.73, s.5; 1950, c.67, s.3; R.S.S. 1953, c.225, s.48.

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 ten subscribers*) 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 (4) of section 5 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 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 organization bylaws filed herewith.

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

Witness:

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.....

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 and organization bylaws, is incorporated under *The Co-operative Marketing
Associations Act*, this _____ day of _____,
19____.

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

FORM C

(Section 48 (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 for Saskatchewan.*

FOR HISTORICAL REFERENCE ONLY