

# *The Co-operative Production Associations Act*

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Chapter C-37 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-37

### An Act to assist Producers to Increase their Income from Production on a Co-operative Basis

#### SHORT TITLE

##### Short title

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

R.S.S. 1978, c.C-37, s.1.

#### INTERPRETATION

##### Interpretation

2(1) In this Act:

##### “association”

(a) “**association**” means an association incorporated or registered under this Act primarily for production on a co-operative basis, including an association mentioned in Parts II to IX of this Act; or an association heretofore incorporated or registered under Part III of *The Co-operative Associations Act* or under any former *Co-operative Associations Act* with similar objects;

##### “bylaws”

(b) “**bylaws**” means the bylaws of the association approved by the members at meetings of the association and by the registrar;

##### “co-operative basis”

(c) “**co-operative basis**” means the carrying on of an enterprise, permitted by this Act, by an association organized, operated and administered in accordance with the principles and methods set out in subsection (2);

##### “interest of a member”

(d) “**interest of a member**” includes his shares in the association, if any; loan capital due to him and any other amount held to his credit by the association;

##### “member”

(e) “**member**” means a producer or other person eligible for membership as provided in this Act who, as a shareholder or otherwise a member, is entitled to full voting rights;

##### “minister”

(f) “**minister**” means the Minister of Co-operation and Co-operative Development;

##### “patron”

(g) “**patron**” means a person who is not a member but uses the services of the association to such extent as may be provided in the bylaws;

##### “payment”

(h) “**payment**” includes the set-off of any amount against indebtedness incurred to the association, or liability created by the application for shares by individual agreement or bylaw;

**“producer”**

- (i) **“producer”** means a person or association engaged in the production of:
- (i) agricultural products;
  - (ii) forest products;
  - (iii) fish;
  - (iv) all other primary products; or
  - (v) any article wholly or partially manufactured from any of the products mentioned in subclauses (i) to (iv);

**“production”**

- (j) **“production”** means the production by or through an association of products on behalf of members and patrons thereof or the providing of services to producers as members and patrons to assist them in production;

**“registrar”**

- (k) **“registrar”** means the Registrar of Co-operative Production Associations for Saskatchewan and in his absence the person acting for the registrar;

**“services to producers”**

- (l) **“services to producers”** includes assembling, processing, manufacturing, financing, advertising and marketing of products produced by members and patrons, and the operating and maintaining by the association of land, tools, equipment or other resources for use by members and patrons engaged in production;

**“special resolution”**

- (m) **“special resolution”** means a resolution passed by not less than three-fourths of the members of an association present at a meeting of the association called for the purpose, where at least ten days' notice in writing of the meeting and the resolution was given to all members of the association;

**“valuation allowance”**

- (n) **“valuation allowance”** means an allowance for bad debts, depreciation or inventories.

- (2) Except as otherwise provided in this Act, regulations or the bylaws of an association, in every association:

- (a) each member or delegate has only one vote;
- (b) there shall be no voting by proxy;
- (c) membership shall be denied or refused to no person on the basis of race, creed, ethnic origin or political beliefs;
- (d) the services of the association shall be primarily for its members;
- (e) interest on share capital shall not exceed five per cent per annum;
- (f) services to members and patrons are to be provided as nearly as possible at cost;
- (g) savings or surpluses arising from yearly operations are paid to members or patrons in proportion to the use of services or the supplying of labour or contributions by such members or patrons to the association.

## REGISTRAR

**Registrar**

3 The Deputy Minister of Co-operation and Co-operative Development is the Registrar of Co-operative Production Associations for Saskatchewan.

1967, c.53, s.3; R.S.S. 1978, c.C-37, s.3.

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**PART I****INCORPORATION****Procedure**

4(1) Subject to subsection (2), any two or more persons or any two or more associations desiring to associate together to form an incorporated association under this Act with limited or unlimited share capital 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 in form A together with an affidavit verifying the signatures on the memorandum.

(2) Where the memorandum is submitted by two or more associations, at least two duly authorized officers of each association shall sign the memorandum which shall be accompanied by a certified copy of the resolution of each association concerned approving the application for incorporation and authorizing the signatures of the officers.

(3) No association shall be incorporated under a name identical with that of any other existing association or so nearly resembling the same as is likely to deceive; and the words "Co-operative" or "Pool" or "Mutual" and "Limited" shall form part of the name of any association incorporated under this Act.

(4) The registrar may refuse incorporation of 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.

(5) 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 in form B.

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

(7) 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*.

(8) Every application for the incorporation of an association shall be accompanied by such fees as may be prescribed in the regulations.

1967, c.53, s.4; R.S.S. 1978, c.C-37, s.4.

**Effect of incorporation**

**5** From the date of the issuing of the certificate of registration by the registrar the subscribers to the memorandum and such other persons as from time to time become members of the association become a body corporate and politic under its registered name, with perpetual succession and a common seal.

1967, c.53, s.5; R.S.S. 1978, c.C-37, s.5.

**Certificate of registrar conclusive as to compliance with Act**

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

1967, c.53, s.6; R.S.S. 1978, c.C-37, s.6.

**Contents of memorandum of association**

**7** The memorandum of association of an association shall state:

- (a) the name of the association;
- (b) the objects of the association;
- (c) the number of directors of the association;
- (d) whether the share capital of the association is limited or unlimited;
- (e) where there is share capital, the division thereof into shares of a fixed amount;
- (f) where there is no share capital, the basis on which the interest of any member of the association will be determined or allocated;
- (g) the location in Saskatchewan of the head office of the association.

1967, c.53, s.7; R.S.S. 1978, c.C-37, s.7.

## AMENDMENTS TO MEMORANDUM OF ASSOCIATION

**Special resolution**

**8(1)** Subject to this Act, an association may by special resolution alter or amend its memorandum of association; but no amendment has any force or effect until a copy of the resolution, certified to be a true copy by the president and secretary of the association and under seal, is filed with the registrar and approved by him.

**(2)** An amendment of the memorandum of association that has the effect of converting an association with share capital into one with or without membership fees shall designate the basis on which the interest of each member of the association shall be allocated and the special resolution providing for the amendment shall set forth the basis on which the shares and other interest of the members shall be dealt with.

1967, c.53, s.8; R.S.S. 1978, c.C-37, s.8.

**Subdivision of shares into smaller amounts**

**9** An association formed with share capital, limited or unlimited in amount, may, by amendment to its memorandum of association, subdivide its shares into shares of a smaller amount, provided that, after the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each share of such smaller amount remains the same as before the subdivision.

1967, c.53, s.9; R.S.S. 1978, c.C-37, s.9.

**Increase of authorized share capital**

**10** An association formed with share capital limited in amount may, by amendment to its memorandum of association, increase its authorized capital by the issue of additional shares of the same or different denomination as originally authorized in its memorandum.

1967, c.53, s.10; R.S.S. 1978, c.C-37, s.10.

**Larger shares where capital unlimited**

**11** An association with share capital, unlimited in amount, may, by amendment to its memorandum of association, decrease the number of shares allotted by the issue of shares of a larger denomination than originally authorized in its memorandum.

1967, c.53, s.11; R.S.S. 1978, c.C-37, s.11.

## REGULATIONS

**Regulations**

**12** For the purpose of carrying out the provisions of this Act according to their intent, the registrar may, with the approval of the Lieutenant Governor in Council make such regulations and orders as are ancillary thereto and are not inconsistent therewith; and every regulation or order made under and in accordance with the authority granted by this section has the force of law; and without restricting the generality of the foregoing, the registrar may make such rules, regulations and orders, not inconsistent with any other provisions of this Act, respecting:

- (a) provisions other than those prescribed by this Act that may be contained in the bylaws of an association;
- (b) fees to be paid under this Act or the regulations;
- (c) the kinds or classes of associations in addition to those set out in this Act, as well as their objects, that may be incorporated under this Act;
- (d) any other matter or thing that may be necessary to carry out the purposes and objects of this Act.

1967, c.53, s.12; R.S.S. 1978, c.C-37, s.12.

## BYLAWS

**Bylaws**

**13(1)** On, from and after the approval of the incorporation of an association by the registrar, the association may pass bylaws not inconsistent with this Act or the regulations for the administration of the association; and such bylaws may adopt the provisions of part or all of any regulation made under this Act.

- (2) Bylaws shall be divided into paragraphs and numbered consecutively.
- (3) The first bylaws of the association shall be adopted by the association at its first general meeting after receipt of the certificate of incorporation.
- (4) Subject to such conditions as may be contained in its bylaws, an association may by bylaw approved by special resolution, alter or add to its bylaws.
- (5) Two copies of every bylaw and every amendment to a bylaw of an association, certified by the president and secretary of the association under seal to be true copies, shall, within thirty days of the making thereof, be filed with the registrar for his approval; and except as provided in subsection (6) no bylaw or amendment to a bylaw has any force or effect until it is filed with and approved by the registrar.
- (6) Where because of the urgency and importance of a bylaw or any amendment thereto it is expedient that the bylaw or amendment take immediate force and effect, the registrar may approve the bylaw or amendment, as the case may be, before it receives the approval of members of an association as required under subsection (4); provided, however, that the bylaw or amendment shall cease to have any force or effect if, upon the expiration of thirty days after it receives the approval of members of the association under subsection (4) it is not filed with the registrar as required under subsection (5).
- (7) After approval by the registrar, one copy of any bylaw or bylaws with the registrar's approval stamped thereon shall be returned to the association.

1967, c.53, s.13; R.S.S. 1978, c.C-37, s.13.

**Memorandum of association and bylaws binding on members**

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

1967, c.53, s.14; R.S.S. 1978, c.C-37, s.14.

## POWERS

**Ancillary powers**

**15(1)** An association has, 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:

- (a) to undertake and carry on all kinds of business or operations or services connected with the production of any product produced by or through the association by the members and patrons, including the developing, cultivating, maintaining and improving land or other natural resources required for production, provided it is an extension of those operations or services, and the assembling, collecting, receiving, taking delivery of, buying, handling, feeding, fattening, finishing, slaughtering, preserving, harvesting, drying, processing, manufacturing, packing, grading, storing, transporting, financing and marketing such products, produced and delivered to or through the association, or otherwise assisting with the production or utilization of products, or the processing, manufacturing and selling by-products thereof;

(b) to purchase, lease, exchange or otherwise acquire and hold any real or personal property, including equipment to be used in production, and any rights or privileges which the association may deem necessary or convenient for the purpose of its objects;

(c) 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;

(d) to borrow or raise money:

(i) by mortgage or other instrument either to bearer or otherwise; or

(ii) subject to the approval of the Co-operative Securities Board, by issuing bonds or debentures;

conferring no charge or a fixed or floating charge or both upon part or all of the assets and undertakings of the association, including its uncalled capital;

(e) to mortgage, pledge, hypothecate, borrow money upon and otherwise deal with products and all documents of or evidencing title thereto and to borrow and secure the payment of money on such other terms and conditions as the directors or members may by resolution from time to time determine;

(f) to enter into any contract or arrangement whatever for or incidental to its objects;

(g) to make advances to its members and patrons for the production of products on such terms as the directors consider expedient;

(h) to construct, improve, maintain, develop, work, manage, carry out or control any works or conveniences that may seem calculated, directly or indirectly, to assist the members and patrons in the production of agricultural products or in other production based on forest, land, lake or river and the conservation and improvement of such resources;

(i) to purchase, acquire or undertake the whole or any part of the business, property, good will and assets and to assume the whole or any part of the liabilities of any person, company, association or society wherever incorporated, carrying on any business which the association is authorized to carry on;

(j) to take or otherwise acquire and hold the shares, stock, debentures or other securities of any company, association or society incorporated by or under any Act of Saskatchewan or of any other province of Canada, or of the Parliament of Canada, having objects altogether or in part similar to those of the association or carrying on any business capable of being conducted so as to benefit directly or indirectly the association in accordance with its objects and to sell or otherwise deal with the same;

(k) to become a member of a credit union or of Saskatchewan Co-operative Credit Society Limited, or of any co-operative trust or loan company incorporated under any Act of the Legislature, and to purchase shares from or loan to or borrow money from such credit union or Saskatchewan Co-operative Credit Society Limited or such co-operative trust or loan company;

(l) to amalgamate with or to enter into partnership with or to enter into any agreement for co-operation, joint venture, reciprocal concession or otherwise with any other association having objects wholly or in part similar to the objects of the association;

(m) to unite with any person, company or association in employing and using the same personnel, methods, means or agencies for carrying on and conducting their respective businesses;

(n) to enter into any arrangements with any government or any authority, municipal, local or otherwise, that may seem beneficial to the association and to obtain from 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 such arrangements, rights, privileges and concessions;

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

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

(q) to take or hold mortgages, hypothecs, liens and charges to secure payment of the price of any part of the property of the association of whatever kind sold by the association or any money due to the association and to assign or otherwise dispose of those mortgages, hypothecs, liens and charges;

(r) to become a member of Co-operative Superannuation Society or of such other organization as the association deems suitable for the purpose of establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members, employees or ex-employees of the association or the dependants or connections of such persons, to grant benefits and allowances and to make payments toward insurance;

(s) to carry on, encourage and assist educational and advisory work relating to co-operation and the objects of the association;

(t) to subscribe or guarantee money for charitable or benevolent objects;

(u) to allocate fully paid-up shares of capital stock or other securities of the association in payment or part payment for any real or personal property purchased or otherwise acquired by the association from any member thereof;

(v) to sell or dispose of the undertaking of the association or any part thereof for such consideration as the association thinks fit;

(w) generally to carry on and undertake any business which may seem capable of being conveniently carried on in connection with the objects of the association, or calculated directly or indirectly to benefit the association and its members in the production of products.

(2) Nothing in this section prevents an association from including in its memorandum of association other powers in addition to or in modification of the powers mentioned in subsection (1).

**Extra-provincial powers**

**16** Every association, unless a contrary intention is expressed in the Act incorporating it or in the memorandum of association thereof, has and shall be deemed to have 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.

1967, c.53, s.16; R.S.S. 1978, c.C-37, s.16.

**Change of name**

**17(1)** An association may by amendment to its memorandum of association change its name.

(2) The registrar, if he is satisfied that the change of name is not objectionable, shall enter the new name on the register in place of the former name, issue a certificate showing the change of name and publish a notice of the change in the *Gazette*.

(3) The change of name shall not affect any rights or obligations of the association, or render defective any legal proceedings by or against the association, and any legal proceedings that might have been continued or commenced against it by its new name.

(4) A certificate by the registrar showing the former name of the association and the new name may be filed in the land titles office of any land registration district in which there are lands owned by the association or lands in which it has a registered interest and thereafter the registrar of land titles shall accept for registration any transfer, mortgage, lease, assignment of mortgage or other instrument executed by the association in its new name and shall deal with the lands affected thereby in all respects as if the title or interest of the association had always been registered in its new name.

1967, c.53, s.17; R.S.S. 1978, c.C-37, s.17.

## CONTENTS OF BYLAWS

**Contents of bylaws**

**18(1)** Subject to the provisions of this Act and the regulations, an association may make such bylaws respecting matters and things that may be necessary for the efficient and proper administration of the association and without restricting the generality of the foregoing an association may make bylaws to provide for any or all of the following matters:

- (a) the time and place of and manner of calling and conducting meetings of the association;
- (b) the number of members to constitute a quorum;
- (c) voting by ballot or mail or both and the conditions, manner and form of such votes;
- (d) the number of directors to constitute a quorum for a meeting of directors;
- (e) the qualifications, compensation, duties, term of office and method of removal of directors and officers;
- (f) the time of the election of directors and officers and the mode and manner of giving notice thereof;

- (g) the procedure for admitting new members;
  - (h) the amount of entrance and membership fees, if any, the manner and method of collecting those fees and the purposes for which they may be used;
  - (i) the number of shares, if there are shares, that any one member may hold, the method of allotment of and payment for shares;
  - (j) the amount that a member shall be required to pay annually or from time to time, if at all, for the purpose of carrying on the business of the association;
  - (k) the costs, if any, to be paid by each member for services rendered by the association to him, the time of payment and manner of collecting those costs;
  - (l) the terms of any contract or agreement between the association and its members that every member of the association may be required to sign;
  - (m) a referendum on any problem of general concern to the members of the association;
  - (n) the number and qualifications of members of the association, the conditions precedent to the ownership of shares or to membership in the association, the method, time and manner of and conditions precedent to transferring of membership, the conditions upon which and the time when the membership of any member in the association 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 suspension of the rights of a member when he ceases to be eligible for membership;
  - (o) 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 and 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;
  - (p) 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;
  - (q) 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;
  - (r) the effect of any meeting of the delegates;
  - (s) the appointment and dismissal of directors;
  - (t) the formation of an executive committee of the board of directors and the functions and powers of that committee;
  - (u) subject to subsection (2), the expulsion of a member from the association.
- (2) An association shall not pass a bylaw providing for the expulsion of a member from the association unless the following conditions are complied with:
- (a) all capital furnished by the member, together with interest as permitted by the bylaws, is refunded to him within a time stated in the bylaw;

- (b) the secretary of the association has, within five days from the date on which the member is expelled, notified the member in writing of the expulsion.
- (3) A member who is expelled from an association may appeal against the order of expulsion by filing with the secretary of the association a notice of appeal in writing within thirty days from the date of receipt of the notice of expulsion.
- (4) Upon receipt of a notice of appeal under subsection (3), the association shall, at a general meeting held not later than thirty days after the receipt of the notice, hear and determine the appeal.
- (5) The association shall give at least ten days' notice in writing, sent by registered mail, to the appellant of the date, time and place of the meeting at which his appeal will be heard.
- (6) At the meeting of an association called for the purpose of hearing an appeal under this section, unless a greater number is prescribed by any bylaw of the association, a majority of the members present at the meeting shall hear and determine the appeal; and the association may confirm or rescind the order of expulsion appealed against.
- (7) Where the whereabouts of an expelled member 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 the amounts so transferred shall thereafter be paid over to the person entitled thereto upon satisfactory proof of his claim.

1967, c.53, s.18; R.S.S. 1978, c.C-37, s.18.

## MEMBERSHIP

### **Persons admissible as members**

- 19(1)** Only persons who are engaged in the production of products to be produced by or through the association or with the assistance of services to producers provided by the association, including tenants of land used for the production of such products, persons enjoying rights to the use of other natural resources for the production of products, landlords who receive as rent all or part of the products produced on land or from other natural resources leased by them, associations having as their object or one of their objects to provide services to producers as provided in this Act are eligible to become members of an association.
- (2) Every subscriber to the memorandum of association who has subscribed for one share in the association or has paid the membership fee, if any, shall be deemed to have agreed to become a member of the association and shall, upon its registration, be entered on the register or list of members.
- (3) No person other than those mentioned in subsection (2) shall become a member of an association until his written application for membership has been approved by resolution of the directors and recorded in the minutes.
- (4) Each applicant for membership shall be notified in writing that his application has been approved or not approved.

**c. C-37** CO-OPERATIVE PRODUCTION ASSOCIATIONS

(5) Unless the bylaws otherwise provide, a person of the full age of sixteen years may become a member of an association, but such person shall not be eligible to act as a director, manager or treasurer of the association until he has reached the age of twenty-one years.

(6) Notwithstanding subsection (5), a person is eligible to act as a director, manager or treasurer of an association where a bylaw permits the person to act as such and the person is at least eighteen years of age.

1967, c.53, s.19; 1969, c.11, s.1; R.S.S. 1978, c.C-37, 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 security for payment of his shares and retention of the certificate does not affect the member's right to vote.

1967, c.53, s.20; R.S.S. 1978, c.C-37, s.20.

**Limited liability**

**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.

1967, c.53, s.21; R.S.S. 1978, c.C-37, s.21.

**Lien on member's shares**

**22** An association has a lien on the shares and other amounts held to the credit of a member for a debt due, owing or accruing due to it by him; and the interest of any member in the association is subject to a set-off of any indebtedness by him to the association.

1967, c.53, s.22; R.S.S. 1978, c.C-37, s.22.

**Assignment, transfer and purchase of shares and memberships**

**23(1)** Subject to subsection (2), shares and membership interests may be assigned or transferred or may be redeemed or purchased by the association.

(2) Subject to such conditions as may be specified in the bylaws, no assignment, transfer, redemption or purchase under subsection (1) is valid unless approved by the directors.

1967, c.53, s.23; R.S.S. 1978, c.C-37, s.23.

**Payment to executors of deceased members**

**24(1)** Where a member of an association having shares or other interest in the association not exceeding \$2,500 dies leaving a will naming an executor or trustee for the administration of his estate in Saskatchewan, then, subject to the *Estate Tax Act* (Canada), the directors of the association, after a period of six months has elapsed, may by resolution authorize payment to the executor or trustee of the balance owing to the deceased, notwithstanding that the executor or trustee has not applied for letters probate in Saskatchewan.

(2) Upon receipt of payment the executor or trustee shall pay over the moneys received, in accordance with the terms of the will; and 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.

1967, c.53, s.24; R.S.S. 1978, c.C-37, s.24.

**Payments on death of member where no personal representative**

**25(1)** Where evidence is presented to an association to the effect that a member is deceased leaving an estate in Saskatchewan, other than his shares or other interest in the association, of not more than \$1,500 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 or assignment of or a charge against the member's interest therein, then, subject to the *Estate Tax Act* (Canada) the directors of the association may by resolution pay the amount of the member's shares or other interest to the person or persons who appear entitled thereto under *The Intestate Succession Act*.

(2) Subsection (2) of section 24 applies *mutatis mutandis* to this section.

1967, c.53, s.25; R.S.S. 1978, c.C-37, s.25.

**Withdrawal of members**

**26(1)** Subject to subsections (5) and (6), members may withdraw from an association in the manner prescribed by the bylaws or, where not so prescribed, in the manner hereinafter set forth.

(2) The directors may by resolution require that a member who proposes to withdraw shall in writing give to the association notice, not exceeding six months, of his application to withdraw.

(3) Payment of the interest of members withdrawing from an association shall be made 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) Subject to subsections (5) and (6), where an application for withdrawal is received by the association, the directors shall, within six months after its receipt, purchase at their par or paid-up value all shares held by the member and repay to him all other amounts held to his credit, together with any interest accrued thereon.

(5) 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 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) unless the board of directors of the association otherwise approves, he shall not be entitled to a refund of his membership fee.

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(6) Where, in the opinion of the directors, payment for shares or payment of the interest of a member withdrawing would impair the financial stability of the association, the directors may by resolution suspend such payments; provided that no payment shall be suspended for a period exceeding one year unless the suspension is approved by resolution of the members at an annual or special meeting and by the registrar.

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

1967, c.53, s.26; R.S.S. 1978, c.C-37, s.26.

## DIRECTORS AND OFFICERS

**Directors**

**27(1)** Subject to the bylaws, every association shall have at least two 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.

1967, c.53, s.27; R.S.S. 1978, c.C-37, s.27.

**Duties and powers of directors**

**28** The directors shall direct, supervise and administer the business and property of the association in accordance with the authority conferred upon them by the members.

1967, c.53, s.28; R.S.S. 1978, c.C-37, s.28.

**Officials**

**29** 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.

1967, c.53, s.29; R.S.S. 1978, c.C-37, s.29.

**Vacancy on board of directors**

**30(1)** Subject to subsection (2), where 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) 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 the vacancies.

1967, c.53, s.30; R.S.S. 1978, c.C-37, s.30.

**Directors must be members**

**31** No person other than a registered member of an association is eligible to be elected or appointed as a director of the association.

1967, c.53, s.31; R.S.S. 1978, c.C-37, s.31.

**Validity of acts of directors**

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

1967, c.53, s.32; R.S.S. 1978, c.C-37, s.32.

**No director may benefit by contract**

**33** Except with the approval of the members of an association no director during his term of office shall enter into a contract with the association that confers a benefit upon him other than a benefit accorded to members generally.

1967, c.53, s.33; R.S.S. 1978, c.C-37, s.33.

**Meetings of directors**

**34(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 or regulations otherwise provide, the number of directors required to constitute a quorum for the transaction of business at meetings of the directors is one-half of the number of directors of the association; 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.

1967, c.53, s.34; R.S.S. 1978, c.C-37, s.34.

**Security**

**35** Unless otherwise provided in the regulations, the directors shall ensure that every person appointed to an office touching the receipt, management or expenditure of money of the association gives such security in the form of a fidelity bond as the directors deem sufficient; and the security may be varied in amount and renewed from time to time.

1967, c.53, s.35; R.S.S. 1978, c.C-37, s.35.

**Removal of directors from office**

**36** In the absence of a provision in the 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.

1967, c.53, s.36; R.S.S. 1978, c.C-37, s.36.

**Remuneration**

**37** The officers, members of the executive committee and directors of an association may be paid such fair remuneration and reasonable travelling and other out-of-pocket expenses incurred by them in discharging their duties as the members of the association may by resolution approve.

1967, c.53, s.37; R.S.S. 1978, c.C-37, s.37.

**MEETINGS****First general meeting**

**38(1)** 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.

(2) At the first general meeting of an association permanent directors shall be appointed to replace the provisional directors, bylaws adopted and an auditor to audit the books and accounts of the association appointed.

1967, c.53, s.38; R.S.S. 1978, c.C-37, s.38.

**Annual and other general meetings**

**39(1)** Every association shall by bylaw provide for an annual general meeting and may also provide for semi-annual, quarterly or other general meetings.

(2) Unless the bylaws or the regulations 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.

1967, c.53, s.39; R.S.S. 1978, c.C-37, s.39.

**Special meetings**

**40(1)** The directors of an association may call a special meeting of the members or delegates, as the case may be, at any time; and where at least ten per cent of the members so request the directors shall call a special meeting.

(2) Unless the bylaws or regulations 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 unless all members of the association are present at the meeting and unanimously agree to discuss other business.

1967, c.53, s.40; R.S.S. 1978, c.C-37, s.40.

**Registrar may prescribe manner of calling meetings**

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

1967, c.53, s.41; R.S.S. 1978, c.C-37, s.41.

**Quorum**

**42** Unless the bylaws or the regulations 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) where the membership is twenty or less, one-half of the members; but in no case shall the number of members 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; or
- (c) where the association is governed by delegates, one-half of the number of delegates.

1967, c.53, s.42; R.S.S. 1978, c.C-37, s.42.

**Power of registrar to call meetings**

**43(1)** If an association fails to hold an annual general meeting the registrar may call the 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 associations's affairs ordered or made by him.

1967, c.53, s.43; R.S.S. 1978, c.C-37, s.43.

**Voting**

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

(2) In case of an equality of votes upon any motion, whether on a showing of hands or on a poll, at any meeting of an association, the motion shall be declared lost.

(3) An association that is a member may vote at meetings by a delegate duly appointed in accordance with the bylaws.

1967, c.53, s.44; R.S.S. 1978, c.C-37, s.44.

## MANAGEMENT AND ADMINISTRATION

**Registered office**

**45** Every association incorporated under this Act shall have its head office in the province.

1967, c.53, s.45; R.S.S. 1978, c.C-37, s.45.

**Seal**

**46** Each association shall have a corporate seal which shall contain the name of the association.

1967, c.53, s.46; R.S.S. 1978, c.C-37, s.46.

**c. C-37****CO-OPERATIVE PRODUCTION ASSOCIATIONS****Books and records**

**47(1)** The association shall keep such records and books of account as the registrar may require and shall keep a proper set of commercial books and all transactions of the association shall be clearly entered therein.

(2) Subject to such conditions as may be prescribed by the bylaws of an association and the regulations, the records of an association shall be open for inspection by any member or delegate during reasonable hours at the head office of the association; but nothing in this subsection authorizes a member or delegate to inspect the account of another member or delegate unless:

- (a) the member or delegate is an officer or director of the association; or
- (b) the member or delegate is specially authorized by a special resolution of the association for the purpose; or
- (c) the member or delegate concerned consents in writing to the inspection.

1967, c.53, s.47; R.S.S. 1978, c.C-37, s.47.

**Auditors and audit**

**48(1)** At each annual general meeting of the association 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 current year.

(2) The auditor so appointed shall be a chartered accountant, certified public accountant or any other qualified person approved by the registrar.

(3) Where the office of auditor becomes vacant, the directors may appoint an auditor, approved by the registrar, to hold office until the next annual general meeting.

(4) The first auditor of an association may be appointed by the directors before the first general meeting and, where so appointed, shall hold office until the first annual general 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 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 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.

1967, c.53, s.48; R.S.S. 1978, c.C-37, s.48.

**Fiscal year**

**49** The fiscal year of every association, unless otherwise provided by the bylaws or regulations, ends on the thirty-first day of December.

1967, c.53, s.49; R.S.S. 1978, c.C-37, s.49.

**Annual return**

**50(1)** Every association shall, within one month after each annual general meeting, send to the registrar and any member who requests it an audited statement of the revenue and expenditure, assets and liabilities of the association for the immediately preceding fiscal year.

(2) The statement required under subsection (1) shall be accompanied by a copy of the auditor's report; and the statement and report shall be called the annual return.

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

1967, c.53, s.50; R.S.S. 1978, c.C-37, s.50.

## DISTRIBUTION OF SURPLUS EARNINGS

### Distribution of earnings

**51** Except as otherwise provided in this Act, every association shall within a period of six months after the end of each fiscal year apportion and distribute its surplus earnings, if any, arising from the yearly operations of the association, in the manner set out in the bylaws of the association.

1967, c.53, s.51; R.S.S. 1978, c.C-37, s.51.

## CONTINUATION OF PROVISIONS OF MEMORANDUM OF ASSOCIATION AND EXSISTING BYLAWS

### Effect of certain memorandum of association and bylaws

**52** Every provision of the memorandum of association and of the bylaws of an association with objects such as are authorized under this Act, incorporated and registered under Part III of *The Co-operative Associations Act* or under any former *Co-operative Associations Act* through the registrar, in effect and in force as at the fifteenth day of May, 1967, have the same force and effect as if the association was incorporated under this Act.

1967, c.53, s.52; R.S.S. 1978, c.C-37, s.52.

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## PART II

## MACHINERY ASSOCIATIONS

### Interpretation “machinery association”

**53(1)** In this Part “machinery association” includes an association incorporated or registered under this Act having as its principal objects or any of them the purchasing, leasing or otherwise acquiring, maintaining and operating of farm machinery or other equipment for use by or on behalf of the members and patrons thereof in the production of agricultural products or other products, and rendering to the members and patrons as producers services ancillary to such principal objects or any of them.

(2) The services mentioned in subsection (1) may include:

- (a) providing machinery and other equipment for the tillage of land required for the production of field crops, or machinery and equipment for the production of livestock and livestock products, dairying and poultry raising;
- (b) storing, marketing or otherwise utilizing products produced by members and patrons with the assistance of services provided under clause (a).

1967, c.53, s.53; R.S.S. 1978, c.C-37, s.53.

**Special provisions in the bylaws**

**54** To achieve its objects, a machinery association may provide by bylaw for any or all of the following matters:

- (a) that all members shall sign an agreement with the association respecting the conditions under which machinery or other equipment will be used by them for production;
- (b) the pooling and sale by or through the association of any or all products produced by members with machinery or other equipment provided by the association;
- (c) the appointment of a manager of the association by the directors;
- (d) that each member undertake to lend such funds and to furnish such fixed or working capital for the association as may be designated from time to time by the directors;
- (e) that each member undertake to contribute whatever labour or other services as may be necessary for the operation of the association;
- (f) that the manager shall in compliance with the policy of the association determine where and when machinery or other equipment is to be used for or on behalf of members or patrons;
- (g) that all charges for the use of machinery or other equipment shall be set by the directors;
- (h) the conditions under which certain expenditures on behalf of the association may be made by the directors;
- (i) the revaluation of the assets of the association from time to time;
- (j) the conditions under which a member may withdraw from the association and for the repayment of his interest therein.

1967, c.53, s.54; R.S.S. 1978, c.C-37, s.54.

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### PART III

#### FARM ASSOCIATIONS

**Interpretation "farm association"**

**55(1)** In this Part "farm association" includes an association having as its principal objects or any of them the purchasing, leasing or otherwise acquiring, developing, maintaining and operating land as a farming enterprise on behalf of its members or rendering to the members as producers services ancillary to such principal objects or any of them.

(2) In addition to the objects mentioned in subsection (1) a farm association may have one or more of the following further objects:

- (a) the ownership and the utilization of land as a farming enterprise;

- (b) carrying on such types of agricultural production as appear best suited to utilize such land for the production of cereal grains, livestock raising, dairying, the production of eggs and poultry, honey, fruits and vegetables and fur-bearing animals raised in captivity;
- (c) the providing of housing for the use of its members.

1967, c.53, s.55; R.S.S. 1978, c.C-37, s.55.

**Special provisions in the bylaws**

**56** To achieve its objects a farm association may provide by bylaw for any or all of the following:

- (a) that each member undertake to lend such funds and furnish such fixed or working capital for the association as may be designated from time to time by the directors;
- (b) that each member undertake to contribute whatever labour or other services are necessary for the operation of the association;
- (c) the revaluation of the assets of the association from time to time;
- (d) the conditions under which a member may withdraw from the association and for the repayment of his interest therein.

1967, c.53, s.56; R.S.S. 1978, c.C-37, s.56.

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PART IV

LIVESTOCK ASSOCIATIONS

**Interpretation “livestock association”**

**57(1)** In this Part “livestock association” includes an association incorporated or registered under this Act having as its principal objects or any of them the breeding, raising, feeding, finishing, acquiring and selling of livestock, poultry, fur-bearing animals raised in captivity and bees, by or through the association on behalf of its members and patrons, or rendering to members and patrons as producers, services ancillary to such principal objects or any of them.

(2) In addition to the objects mentioned in subsection (1) a livestock association may have one or more of the following further objects:

- (a) providing artificial or other breeding services for animals or poultry owned or leased by the members and patrons;
- (b) assembling, shipping, selling by public auction or otherwise handling various kinds of livestock or poultry produced by the members and patrons and providing buildings and equipment required for such services;
- (c) purchasing or otherwise acquiring livestock or poultry for feeding and finishing by members and patrons on a contract or other basis;
- (d) purchasing or otherwise acquiring livestock, poultry or other animals as foundation, replacement or breeding stock for production by its members and patrons;

- (e) establishing and maintaining central feeding stations for the use of members and patrons who are engaged in the production of livestock or poultry;
- (f) providing a hatching, brooding or raising station for livestock or poultry or other animals for the use of members and patrons engaged in production;
- (g) purchasing, procuring and maintaining bees for the production of honey on behalf of members and patrons;
- (h) purchasing, renting, maintaining and managing a livestock or poultry enterprise for the production of meat, milk and other dairy products, poultry and eggs on behalf of the members and patrons;
- (i) providing management or supervisory services where livestock or poultry or bees are maintained on a member's or patron's farm for feeding and finishing on a contract basis or contracting for such services on behalf of members and patrons.

1967, c.53, s.57; R.S.S. 1978, c.C-37, s.57.

**Special provisions in the bylaws**

**58** To achieve its objects, a livestock association may provide by bylaw for any or all of the following matters:

- (a) that each member undertake to lend such funds and furnish such fixed or working capital for the association as may be designated from time to time by the directors;
- (b) that each member undertake to contribute whatever labour or other services are necessary for the operation of the association;
- (c) the manner in which supervisory or advisory services in the management of a livestock enterprise are made available by the association to the members and patrons;
- (d) that the association may levy a yearly fee on each member or patron for services provided for him by or through the association.

1967, c.53, s.58; R.S.S. 1978, c.C-37, s.58.

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PART V

GRAZING AND FODDER ASSOCIATIONS

**Interpretation "grazing and fodder association"**

**59(1)** In this Part "grazing and fodder association" includes an association incorporated or registered under this Act having as its principal objects, or any of them, the operation and maintenance of land for the grazing of livestock or the production of feed and fodder for livestock required by members and patrons in livestock production or rendering to members and patrons as producers services ancillary to such principal objects or any of them.

(2) In addition to the objects mentioned in subsection (1) a grazing and fodder association may have one or more of the following further objects:

- (a) leasing, purchasing or otherwise acquiring and maintaining land for the grazing of livestock;
- (b) leasing, purchasing or otherwise acquiring and maintaining land for the production of fodder or grain for livestock;
- (c) producing fodder, grain or other feed for sale to its members and patrons engaged in livestock production;
- (d) maintaining fodder or grain reserves for sale to members and patrons when required for livestock production;
- (e) improving land used for grazing or the production of fodder or grain to increase its productive capacity.

1967, c.53, s.59; R.S.S. 1978, c.C-37, s.59.

**Special provisions in the bylaws**

**60** To achieve its objects, a grazing and fodder association may provide by bylaw for any or all of the following matters:

- (a) that each member undertake to lend such funds and furnish such fixed or working capital for the association as may be designated from time to time by the directors;
- (b) that each member undertake to contribute whatever labour or other services as may be necessary for the operation of the association;
- (c) that no interest shall be paid to its members on share capital, that no patronage refunds shall be paid to its members and that no part of the surplus arising from the yearly operations of the association shall enure to the benefit of any member or patron;
- (d) that the directors may assign quotas for the number of head of livestock to be grazed by each member or patron on land maintained by the association or for the purchase of feed from the association by each member or patron and produced on such land;
- (e) that the rights of a member to grazing services or the purchase of feed may be suspended for violation of bylaws or regulations governing the association for such period of time as the directors may determine;
- (f) the conditions under which a member may withdraw from the association and for the repayment of his interest therein.

1967, c.53, s.60; R.S.S. 1978, c.C-37, s.60.

## PART VI

## LAND IMPROVEMENT ASSOCIATIONS

**Interpretation “land improvement association”**

**61(1)** In this Part “land improvement association” includes an association incorporated or registered under this Act having as its principal objects or any of them the conservation of land against erosion from wind or water, conservation of water resources, irrigation, the planting and maintenance of trees as shelter belts of the conservation of other natural resources required by members and patrons engaged in the production of agricultural products or other products, or rendering to the members and patrons as producers, services ancillary to such principal objects, or any of them.

(2) In addition to the objects mentioned in subsection (1) a land improvement association may have one or more of the following further objects:

- (a) maintaining and supervising an area of land for watershed development, flood control, water and wind soil erosion control and crop rotation;
- (b) planting and maintaining roadside and field shelterbelts;
- (c) purchasing or otherwise acquiring and maintaining a water supply for the use of its members and patrons for irrigation and other agricultural purposes.

1967, c.53, s.61; R.S.S. 1978, c.C-37, s.61.

**Special provisions in the bylaws**

**62** To achieve its objects, a land improvement association may provide by bylaw for any or all of the following matters:

- (a) that each member undertake to lend such funds and furnish such fixed or working capital for the association as may be designated from time to time by the directors;
- (b) that each member undertake to contribute whatever labour or other services are necessary for the operation of the association;
- (c) that no interest shall be paid to its members on share capital, that no patronage refunds shall be paid to its members or patrons and that no part of the surplus arising from the yearly operations of the association shall enure to the benefit of any member or patron;
- (d) the conditions under which a member may withdraw from the association and for the repayment of his interest therein.

1967, c.53, s.62; R.S.S. 1978, c.C-37, s.62.

## PART VII

## LAKE, FOREST AND FUR ASSOCIATIONS

**Interpretation “lake, forest and fur association”**

**63(1)** In this Part “lake, forest and fur association” includes an association having as its principal objects, or any of them, the production or utilization of the products of forest, lake or river, or of other natural resources, on behalf of its members and patrons, or rendering services to members and patrons as producers, ancillary to such principal objects, or any of them.

(2) In addition to the objects mentioned in subsection (1) a lake, forest and fur association may have one or more of the following further objects:

- (a) leasing, purchasing and maintaining boats, motors and equipment to be used in a group fishing operation by the members and patrons or by each member and patron on an individual basis as required;
- (b) obtaining or providing contracts, equipment and management services for the production of pulpwood, cord wood, saw timber, lumber and other forest products by the members and patrons;
- (c) purchasing, leasing or otherwise acquiring, maintaining and managing water or land resources for the production of fur-bearing animals;
- (d) providing supplies and equipment for trapping fur-bearing animals and preparing skins and pelts of fur-bearing animals for market;
- (e) operating a pool for storing and selling products produced and delivered to the association by the members and patrons or acting as sales agent for each member or patron for products delivered to the association by him.

1967, c.53, s.63; R.S.S. 1978, c.C-37, s.63.

**Special provisions in the bylaws**

**64** To achieve its objects, a lake, forest and fur association may provide by bylaw for any or all of the following matters:

- (a) that each member undertake to lend such funds and furnish such fixed or working capital to the association as may be designated from time to time by the directors;
- (b) that each member undertake to contribute whatever labour or other services are necessary for the operation of the association;
- (c) establishing individual quotas for the production of products by members and patrons and the time and place for the delivery of such products to the association for sale;
- (d) an agreement between the association and each member respecting his rights as a producer of products for delivery to the association and the contribution he is required to make towards the operation of the association;
- (e) deductions from the gross amount received by the association from the sale or resale price of products produced and delivered to it by its members for share capital or loan capital necessary for the operations of the association;
- (f) the conditions under which a member may withdraw from the association and the repayment of his interest therein.

1967, c.53, s.64; R.S.S. 1978, c.C-37, s.64.

## PART VIII

## MANUFACTURING ASSOCIATIONS

**Interpretation “manufacturing association”**

**65(1)** In this Part “manufacturing association” includes an association incorporated or registered under this Act having as its principal objects, or any of them, producing, preparing, adapting, processing and manufacturing goods, wares and merchandise from raw materials derived chiefly from the products of agriculture, forest, lake, river or the utilization for such purposes of products of other natural resources, for use or sale primarily by its members or for use or sale by or through the association.

(2) In addition to the objects mentioned in subsection (1) a manufacturing association may have one or more of the following further objects:

- (a) procuring raw materials necessary for the operation of the association;
- (b) providing buildings and equipment necessary for the operation of the association;
- (c) rendering services to the members and patrons as producers of goods, wares or merchandise ancillary to the principal objects or any of them.

1967, c.53, s.65; R.S.S. 1978, c.C-37, s.65.

**Special provisions in the bylaws**

**66** To achieve its objects, a manufacturing association may by bylaw provide for any or all of the following matters:

- (a) that each member undertake to lend such funds and to furnish such fixed and working capital for the association as may be designated by the directors;
- (b) that each member undertake to contribute whatever labour or other services are necessary for the operation of the association;
- (c) that the work performed to achieve the objects of the association be performed primarily by members;
- (d) for the conditions under which a member may withdraw from the association and for the repayment of his interest therein.

1967, c.53, s.66; R.S.S. 1978, c.C-37, s.66.

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 PART IX

## PRODUCTION SERVICE ASSOCIATIONS

**Interpretation “production service association”**

**67(1)** In this Part “production service association” includes an association incorporated or registered under this Act having as its principal objects, or any of them, providing services to assist its members and patrons to become established as producers of agricultural products, goods, wares, merchandise or services for sale or to assist its members and patrons to improve their efficiency and income as producers.

(2) In addition to the objects mentioned in subsection (1) a production service association may have one or more of the following further objects:

- (a) assisting the members and patrons with financing, supervision and other necessary services to become established as owners or as tenants of land for the production of agricultural products;
- (b) assisting the members and patrons to become established or participate in other enterprises which will provide them with gainful employment or income;
- (c) contracting or arranging for advisory or supervisory services to assist the members and patrons with management practices connected with the agricultural enterprise operated by each or with an enterprise based on other natural resources;
- (d) providing services to assist one or more associations within the meaning of Parts II to VIII of this Act to achieve their objects.

1967, c.53, s.67; R.S.S. 1978, c.C-37, s.67.

**Special provisions in the bylaw**

**68** To achieve its objects, a production service association may by bylaw provide for any or all of the following matters:

- (a) that each member undertake to lend such funds and to furnish such fixed and working capital to the association as may be designated by the directors;
- (b) that each member undertake to contribute whatever labour or other services are necessary for the operation of the association;
- (c) designate the fees or dues payable for services rendered by the association;
- (d) the conditions under which a member may withdraw from the association and for the repayment of his interest therein.

1967, c.53, s.68; R.S.S. 1978, c.C-37, s.68.

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PART X

MISCELLANEOUS

*Amalgamations*

**Amalgamation of two or more associations**

**69(1)** Any two or more associations incorporated or registered under this Act or incorporated by or under any other Act of the Legislature, with objects similar to those authorized under this Act, may, pursuant to an agreement authorized by resolution passed by at least three-fourths of the members or delegates present at a general meeting of each association concerned 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 those obligations.

(2) No amalgamation or transfer of obligations shall prejudice the rights of any creditor of an association that 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 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.

1967, c.53, s.69; R.S.S. 1978, c.C-37, s.69.

## DISSOLUTION

### Dissolution

**70(1)** Subject to the approval of the registrar, an association may be dissolved by a special resolution of the association unless the association has less than four members, in which case the resolution shall be unanimously approved by all the members of the association.

(2) The resolution under subsection (1) shall be forwarded to the registrar for his approval and shall set out:

- (a) the assets and liabilities of the association;
- (b) the claims of creditors, if any;
- (c) the names of all members and the nature and extent of their interest in the association together with interest not exceeding five per cent for one year only;
- (d) subject to subsection (3) the purposes and the terms and conditions under which the net assets of the association may be used;
- (e) the appointment of one or more trustees to carry out the purposes referred to in clause (d);
- (f) the manner in which vacancies among trustees shall be filled;
- (g) whether the net assets should be left for disposition by the registrar.

(3) The net assets may, under the conditions set forth in the resolution, 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 resolution 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 with Co-operative Trust Company of Canada, 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 set out in clause (a).

- (4) The registrar, before approving the resolution, shall at the expense of the association, cause a notice of the resolution to be published once a week for two weeks in the *Gazette* and in a newspaper having general circulation in the district where the head office of the association is located.
- (5) The notice under subsection (4) shall also state that any person having a claim against the association shall, within thirty days of the publication of the last notice under subsection (4), file a notice of his claim with the secretary of the association.
- (6) Before approving the resolution and dissolution of an association, the registrar shall ensure by such evidence as he may require that the members voting in favour of the resolution represent not less than fifty-one per cent of the interest of all members of the association as shown by its last annual return.
- (7) Where the registrar does not approve the resolution on the ground that it did not receive the approval of those representing at least fifty-one per cent of the interest of all members or on such other ground as may to him appear reasonable, he may request the directors to call a special meeting of the members to reconsider the resolution.
- (8) Distribution of the net assets of the association shall not be made until six weeks after the last publication of the notice required under subsection (4); and where the amount of claims against the association exceed the assets of the association the registrar shall not order dissolution thereof.
- (9) Where the holder of any claim against the association, whether for debt, share capital invested or otherwise, cannot be located after reasonable investigation, the directors may deposit the amount of the claim in a chartered bank or with a credit union or with Saskatchewan Co-operative Credit Society Limited or with Co-operative Trust Company of Canada; and unless claimed by the holder within a period of three years after the deposit the registrar shall direct that any such unpaid amount with any interest accrued thereon be paid over to such organizations or associations or for such purposes as are mentioned in subsection (3).
- (10) Where after the expiration of three months from the date of dissolution of an association by the registrar, he has reason to believe that no steps have been taken by the association to wind up its affairs, the registrar may appoint a liquidator to wind up the affairs of the association; and the costs and expenses incurred in connection with the winding up shall be paid out of the funds of the association.
- (11) The registrar may require annual or other returns showing the progress of dissolution, the distribution of assets and the progress of the administration of any trust pursuant to this section.
- (12) Where the affairs of an association have been wound up, whether by the association or by a liquidator, the president and the secretary of the association or the liquidator, as the case may be, shall file with the registrar a statutory declaration stating that the affairs of the association have been wound up and that the provisions of this Act have been complied with in winding up the affairs.

**Dissolution by registrar**

71(1) Subject to the approval of the Lieutenant Governor in Council, the registrar may revoke the registration and order the dissolution of an association incorporated under this Act where he 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 members of the association has been reduced below the minimum number required by this Act for the incorporation of the association.
- (2) The registrar shall give the association not less than three months' notice of the proposed revocation of registration, specifying the reason therefor and stating that unless cause is shown to the contrary within that period, the name of the association will be struck off the register and the association ordered to be 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 such case he shall publish notice thereof in the *Gazette*, whereupon the association shall be dissolved.

1967, c.53, s.71; R.S.S. 1978, c.C-37, s.71.

**Dissolution by registrar of associations ceasing to do business**

72(1) Where 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) Where 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) Where the registrar receives an answer from the association stating that it is not carrying on business or in operation; or does not within one month after sending the second letter mentioned in subsection (2), receive an answer thereto, the registrar may publish in the *Gazette* and send to the association a notice that upon the expiration of one month from the date of that notice, the name of the association will, unless cause is shown to the contrary, be struck off the register and the association dissolved.

(4) Upon the expiration of the time mentioned in the notice the registrar may, unless cause to the contrary is 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.

(5) Subsections (3), (10), (11) and (12) of section 70 apply in respect of a dissolution.

1967, c.53, s.72; R.S.S. 1978, c.C-37, s.72.

**Settlements in event of dissolution**

**73** 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, in order that the association may do all things necessary to the winding up of the affairs and business thereof and may sue and be sued under this Act in respect of all unsettled matters.

1967, c.53, s.73; R.S.S. 1978, c.C-37, s.73.

**Retention of books and records of dissolved association**

**74** The books and records of an association dissolved under this Act shall be retained by the liquidator 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*; except that where the affairs are wound up by the association the books and records shall be surrendered to the registrar.

1967, c.53, s.74; R.S.S. 1978, c.C-37, s.74.

**Freezing of funds**

**75** Where an association is dissolved in accordance with the provisions of this Act, the registrar where he considers it advisable may direct that the funds of the association on deposit in a chartered bank, credit union or trust company shall not be released to any person except with the written authority of the registrar.

1967, c.53, s.75; R.S.S. 1978, c.C-37, s.75.

## DUTIES OF REGISTRAR

**Inspection and advice**

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

1967, c.53, s.76; R.S.S. 1978, c.C-37, s.76.

**Assistance with organization**

**77** The registrar shall, at the request of any person or groups of persons interested in the organization of a co-operative production 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.

1967, c.53, s.77; R.S.S. 1978, c.C-37, s.77.

**Form of returns and documents**

**78** 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.

1967, c.53, s.78; R.S.S. 1978, c.C-37, s.78.

## c. C-37

## CO-OPERATIVE PRODUCTION ASSOCIATIONS

**Inspection of records**

**79(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 and may obtain a certified copy thereof.

(2) 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.

1967, c.53, s.79; R.S.S. 1978, c.C-37, s.79.

**Preparation of bylaws by registrar**

**80** 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.

1967, c.53, s.80; R.S.S. 1978, c.C-37, s.80.

## FEES

**Fees**

**81** The fees payable to the registrar for services under this Act shall be those prescribed in the regulations.

1967, c.53, s.81; R.S.S. 1978, c.C-37, s.81.

**Disposal of fees**

**82** 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.

1967, c.53, s.82; R.S.S. 1978, c.C-37, s.82.

## APPLICATION OF CERTAIN ACTS

***Companies Act***

**83** 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.

1967, c.53, s.83; R.S.S. 1978, c.C-37, s.83.

***Securities Act and Companies Act***

**84** 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.

1967, c.53, s.84; R.S.S. 1978, c.C-37, s.84.

SCHEDULE

FORM A

(Section 4 (1))

*The Co-operative Production Associations Act.*

MEMORANDUM OF ASSOCIATION

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

2. The corporate name of the association is to be (*insert name proposed*), 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 Parts II to IX of The Co-operative Production Associations Act*).

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

6. The liability of the members is limited.

7. The following subscribers to this Memorandum of Association have consented to act and have been appointed provisional directors (*See section 27 (2)*).

Dated at \_\_\_\_\_ the \_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_ .

Witness:

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

FORM B

*(Section 4 (5))*

*The Co-operative Production Associations Act*

CERTIFICATE OF INCORPORATION

The \_\_\_\_\_ Limited, having filed a duly executed Memorandum of Association, is incorporated under *The Co-operative Production Associations Act* this \_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_

*Registrar of Co-operative Production  
Associations of Saskatchewan.*