

The Potash Corporation of Saskatchewan Act

Repealed

by Chapter 12 of the *Statutes of Saskatchewan, 1997*
(effective June 30, 1997).

Formerly

Chapter P-17 of the *Revised Statutes of Saskatchewan, 1978*
(effective February 26, 1979) as amended by the *Statutes of
Saskatchewan, 1983, c.29; 1983-84, c.12 and 34; and 1988-89,
c.42.*

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 P-17

An Act respecting the Potash Corporation of Saskatchewan

Short title

- 1 This Act may be cited as *The Potash Corporation of Saskatchewan Act*.

INTERPRETATION

Interpretation

- 2 In this Act:

- (a) “**corporation**” means the Potash Corporation of Saskatchewan mentioned in subsection (1) of section 3;
- (b) “**minister**” means the member of the Executive Council to whom for the time being is assigned the administration of this Act;
- (c) “**potash**” means any non-viable substance formed by the processes of nature that contains the element potassium; and includes any substance found in association with, or produced or capable of being produced with or incidental to, the mining of such a non-viable substance.

R.S.S. 1978, c.P-17, s.2.

ORGANIZATION AND POWERS

Corporation continued

- 3(1) There shall be a corporation to be called the Potash Corporation of Saskatchewan consisting of such persons as may be appointed by the Lieutenant Governor in Council.
- (2) The Potash Corporation of Saskatchewan as presently constituted pursuant to the provisions of *The Crown Corporations Act* is continued as the corporation mentioned in subsection (1), subject to such changes in membership as may be made pursuant to subsection (1).

R.S.S. 1978, c.P-17, s.3.

Capacity to contract, agent of Crown

- 4(1) The corporation shall have perpetual succession and a common seal and shall have capacity to contract and to sue and be sued in its corporate name in respect of any right or obligation acquired or incurred by it on behalf of Her Majesty as if the right or obligation had been acquired or incurred on its own behalf, and also in respect of any liabilities in tort to the extent to which the Crown is so subject by reason of *The Proceedings against the Crown Act*.
- (2) The corporation is for all its purposes an agent of Her Majesty in right of Saskatchewan, and its powers under this Act may be exercised only as an agent of Her Majesty.

c. P-17**POTASH CORPORATION OF SASKATCHEWAN**

(3) The corporation may, on behalf of Her Majesty, contract in its corporate name without specific reference to the Crown or Her Majesty.

(4) All property of the corporation, both real and personal, all moneys acquired, administered, possessed or received from any source and all profits earned by the corporation shall be the property of Her Majesty and shall for all purposes, including taxation of whatever nature or description, be deemed to be the property of Her Majesty.

R.S.S. 1978, c.P-17, s.4.

Board of directors, members of corporation

5(1) The affairs and business of the corporation shall be managed by a board of directors consisting of the persons appointed by the Lieutenant Governor in Council pursuant to subsection (1) of section 3.

(2) The persons originally appointed as members of the corporation pursuant to *The Crown Corporations Act* continue as members of the board of directors until such time as new members are appointed pursuant to subsection (1) of section 3.

(3) The Clerk of the Executive Council shall publish in *The Saskatchewan Gazette* a notice of any appointment made under this Act and the appointment shall have force and effect on and after a date to be specified in the order making the appointment.

R.S.S. 1978, c.P-17, s.5.

Chairman of board, quorum, etc.

6(1) The Lieutenant Governor in Council may designate members of the board of directors as chairman and vice-chairman of the board.

(2) In the absence of the chairman or where he is unable to act the vice-chairman may act in his place and stead.

(3) A majority of the members of the board of directors shall constitute a quorum for the transaction of business at meetings of the board unless the corporation by resolution determines otherwise.

R.S.S. 1978, c.P-17, s.6.

Head office

7 The head office of the corporation shall be situated in the Province of Saskatchewan and shall be at the place designated by the Lieutenant Governor in Council.

R.S.S. 1978, c.P-17, s.7.

Responsible to minister

8 The corporation in the performance of its duties and the exercise of its powers shall be responsible to the minister.

R.S.S. 1978, c.P-17, s.8.

Powers

9 In addition to any other powers conferred by this Act, the corporation may:

- (a) acquire, own, lease, open, explore, develop, work, manage, maintain and improve mines and mining properties and dig for, process, refine, otherwise treat, conserve, store and transport potash and potash-bearing substances, whether belonging to the corporation or not, and render merchantable, and purchase, sell or otherwise dispose of potash or any interest in potash;
- (b) manufacture, buy, sell and otherwise deal, as principals and as agents, in and with all kinds of fertilizers, both natural and artificial chemicals and natural products of all kinds and all elements and materials entering into the composition or manufacture of fertilizers, chemicals and natural products thereof, and generally carry on the business of manufacturers of and wholesale and retail dealers in all kinds of fertilizers, both natural and artificial chemicals and natural products;
- (c) associate, participate or enter into joint or other ventures with individuals, associations or other bodies or corporations in the exploration for, development, management, utilization, conservation, purchase or sale of potash or for any other purposes of the corporation, and take part in the management, supervision or control of the joint or other ventures;
- (d) regulate, by resolution or other means, the proceedings at meetings of the corporation and provide generally for the conduct and management of the affairs of the corporation;
- (e) determine from time to time the manner in which the corporation shall exercise its powers;
- (f) carry on any other business that may seem to the corporation capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the corporation;
- (g) apply for or acquire any patents, patent rights, copyrights, trademarks, formulae, licences, concessions and the like, which confer any right to use any invention that seems useable for any of the purposes of the corporation or which seem calculated directly or indirectly to benefit the corporation;
- (h) apply for or acquire any secret or other information concerning any invention where the secret or information seems calculated directly or indirectly to benefit the corporation;
- (i) use, exercise, develop or grant licences in respect of, or otherwise deal with, the property, rights or information acquired pursuant to clause (g) or (h);
- (j) apply for, secure or acquire by grant, legislative enactment, assignment, transfer or purchase, or otherwise deal with and exercise, carry out and enjoy, any charter, licence, power, authority, franchise, concession, right or privilege that any government or authority or any corporation or other public body may be empowered to grant, and pay for, aid in and contribute toward carrying the same into effect;

(k) procure the registration of and promote any company or companies having objects similar to the objects of the corporation, for any purpose that may seem directly or indirectly to benefit the corporation;

(l) accept, directly or through subsidiary companies, extra-provincial powers and rights and exercise its powers beyond the boundaries of the province to the extent permitted by the laws in force in the jurisdiction in which it seeks to exercise its powers;

(m) exercise such other powers as may be designated and prescribed by the Lieutenant Governor in Council;

(n) do such other things as may be necessary, incidental or conducive to the efficient exercise of the powers set out in this Act.

R.S.S. 1978, c.P-17, s.9.

Power to acquire and dispose of real and personal property

10(1) The corporation may acquire any real or personal property that it considers necessary for the efficient operation of its business:

(a) by purchase or lease;

(b) by purchase, sale and leaseback;

(c) by purchase or expropriation pursuant to *The Potash Development Act*; and

(d) by any other means.

(1.1) The corporation may sell, lease or otherwise dispose of any of its real or personal property whenever it considers it appropriate to do so.

(2) A purchase or other acquisition by the corporation may be made on a deferred payment basis and the corporation may give security on the property purchased for the purchase money, or the unpaid balance thereof, with interest.

R.S.S. 1978, c.P-17, s.10; 1983-84, c.12, s.3.

Power to purchase shares

11(1) The corporation may acquire by purchase or other means shares, debentures, securities or other evidences of indebtedness of any company carrying on any business, enterprise or undertaking that assists or enhances the corporation in its operation as authorized by this Act.

(2) The corporation on acquiring shares, bonds, debentures, securities or other evidences of indebtedness of a company may appoint a person or persons to represent the corporation at any meeting of the members or any class of members of the company or of the creditors or any class of creditors of the company.

(3) The person or persons appointed under subsection (2) shall be entitled to exercise on behalf of the corporation all the powers that the Crown could exercise if it were an individual shareholder or creditor.

R.S.S. 1978, c.P-17, s.11.

Staff

12(1) Notwithstanding the provisions of *The Public Service Act* or any other Act or law, the corporation may employ any officers and other employees it considers necessary for the purposes of its operation and may determine their respective duties and powers, the conditions of their employment and their remuneration, which shall be paid by the corporation.

(2) All officers and employees employed under subsection (1) shall be under the control and supervision of the corporation.

R.S.S. 1978, c.P-17, s.12.

Superannuation

13(1) No provision of *The Public Service Superannuation Act* shall, unless the Lieutenant Governor in Council determines otherwise, apply to the officers and employees of the corporation created under this Act or of its predecessor created under *The Crown Corporations Act* but the corporation may, of its own accord, establish and support any or all of the following:

- (a) a pension fund;
- (b) a group insurance plan;
- (c) any other pension, superannuation or employee benefit arrangement;

for the benefit of officers and employees of the corporation and the dependants of those officers and employees.

(2) Notwithstanding subsection (1) of this section or any other Act or law, where a person:

- (a) was a contributor under *The Public Service Superannuation Act*, *The Liquor Board Superannuation Act*, *The Power Corporation Superannuation Act*, *The Saskatchewan Telecommunications Superannuation Act* or *The Workmen's Compensation Board Superannuation Act* immediately prior to his employment by the corporation; and
- (b) continues while employed by the corporation to be a contributor under such a superannuation Act;

then, for the purposes of the superannuation Act under which he contributed:

- (c) his service with the corporation shall be counted as service under that superannuation Act; and
- (d) he, or she, his widow, or her widower, children or other dependants, if any, or his or her legal representatives may be granted the respective allowances or gratuities provided by that superannuation Act.

R.S.S. 1978, c.P-17, s.13.

FINANCE

Advances by Minister of Finance

14(1) The Minister of Finance may, out of the consolidated fund, advance moneys to the corporation for its purposes in such amounts, at such times and upon such terms as may be determined by the Lieutenant Governor in Council.

(2) In order to provide the funds required under subsection (1) the Lieutenant Governor in Council may authorize the Minister of Finance to raise, by way of loan upon the credit of the province, any sum or sums or money that may be required, and for that purpose to issue bonds, debentures or such other securities of the province as the Lieutenant Governor in Council considers advisable, and to pay those moneys to the corporation for its use.

(3) The sum or sums of money mentioned in subsection (2) shall be raised in accordance with *The Financial Administration Act* and may be borrowed for any term or terms not exceeding thirty years and at such rate of interest as the Lieutenant Governor in Council may determine; and the sum or sums shall be raised upon the credit of the consolidated fund and shall be chargeable to that fund.

R.S.S. 1978, c.P-17, s.14; 1983, c.29, s.27; 1988-89, c.42, s.76.

Power to borrow

15(1) The corporation may, with the approval of the Lieutenant Governor in Council, borrow from time to time any sum or sums of money that the corporation requires for its purposes, including, without limiting the generality of the foregoing:

- (a) the repayment, renewal or refunding from time to time of the whole or any part of any loan raised or securities issued by the corporation under this Act;
- (b) the repayment in whole or in part of advances made by the Minister of Finance to the corporation;
- (c) the repayment in whole or in part of any loan or liability or of any bonds, debentures or other securities or indebtedness the payment of which is guaranteed or assumed by the corporation;
- (d) the reimbursement of the corporation for any expenditure made in carrying out any of the powers of the corporation; and the repayment in whole or in part of any temporary borrowings of the corporation for any such purposes;

and for the purpose of such borrowing may issue such bonds, debentures or other securities, bearing such rate or rates of interest and being payable as to principal and interest at such time or times, in such manner, in such place or places in Canada or elsewhere, and in the currency of such country or countries, as the corporation with the approval of the Lieutenant Governor in Council may determine.

(2) The bonds, debentures and other securities mentioned in subsection (1) may be issued in such amounts as will realize the net sums required for the purposes of the corporation and a recital or declaration in the resolution or minute of the corporation authorizing the issue of the securities to the effect that the amount of those securities so authorized is necessary to realize the net sum required for the purposes of the corporation shall be conclusive evidence of that fact.

(3) The corporation may, with the approval of the Lieutenant Governor in Council, sell or otherwise dispose of such bonds, debentures or other securities on such terms and conditions as may be deemed advisable, or may with the like approval charge, pledge, hypothecate, deposit or otherwise deal with them as collateral security, or may do any of these things.

(4) The Lieutenant Governor in Council may appoint a person to be the agent of the corporation for the purpose of negotiating any loans under this section, and the person so appointed may arrange all details and do, transact and execute any deeds, matters and things that may be requisite during the conduct of negotiations or for the purpose of placing the loans.

(5) Any securities dealt with as collateral security pursuant to subsection (3), when redelivered to the corporation or its nominees on and after payment, satisfaction, release or discharge in whole or in part of any indebtedness or obligation for which the securities may have been given as collateral, or when the corporation again becomes entitled to the securities, may be treated by the corporation as unissued and may, subject to the approval of the Lieutenant Governor in Council, be issued, reissued, charged, pledged, hypothecated, deposited, dealt with as collateral security, sold or otherwise disposed of from time to time upon any terms and conditions the corporation may deem advisable, or at its option be cancelled and fresh securities to the like amount and in like form may be issued in lieu thereof with the like consequences, and upon the issue or reissue a person entitled thereto shall have the same rights and remedies as if the securities had not been previously issued.

(6) The corporation shall determine the form and manner of execution of any bonds, debentures and other securities issued by the corporation under this section.

(7) The corporation may by resolution or minute provide that the seal of the corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any bonds, debentures or other securities to which it is to be affixed, and may provide that any signature upon any bonds, debentures or other securities, and upon the coupons, if any, attached thereto, may be engraved, lithographed or printed or otherwise mechanically reproduced thereon.

(8) The seal of the corporation when so mechanically reproduced shall be of the same force and effect as if manually affixed, and the mechanically reproduced signatures shall for all purposes be valid and binding upon the corporation, notwithstanding that any person whose signature is reproduced has ceased to hold office before the date of or issue of the security.

(9) Subject to the approval of the Lieutenant Governor in Council, the corporation may also from time to time borrow by way of temporary loans from any chartered bank or from any person or corporation such sums, upon such terms, for such purposes and upon such conditions as the corporation may determine, by way of bank overdraft or line of credit, or by the pledging, as security for such temporary loans, of notes, bonds, debentures or other securities of the corporation pending the sale thereof or in lieu of the selling thereof, or in such other manner as the corporation may determine; and any cheques, promissory notes or other instruments that may be necessary or desirable in connection with the borrowing of money and the obtaining of advances by way of temporary loans may be executed in such manner as the corporation may determine.

R.S.S. 1978, c.P-17, s.15; 1983-84, c.12, s.4.

Guarantee by province

16(1) The Lieutenant Governor in Council may, on such terms as may be stated in the Order in Council passed for the purpose, guarantee the payment of the principal and interest of any bonds, debentures or other securities issued by the corporation and of any loans, indebtedness or evidences of indebtedness temporary or otherwise, raised by the corporation and of any indebtedness or liability for the payment of money incurred by the corporation or to which it may be or become subject.

(2) Any guarantee made under subsection (1) shall be in such form and manner as the Lieutenant Governor in Council may approve.

(3) A guarantee made under subsection (1) shall be signed by the Minister of Finance or such other officer or officers as may be designated by the Lieutenant Governor in Council, and on the signing of such a guarantee the Province of Saskatchewan shall become liable for the payment of the principal and interest of the bonds, debentures, securities, loans and other indebtedness or liability for the payment of money guaranteed according to the tenor thereof; and any guarantee so signed shall be conclusive evidence of compliance with the terms of this section.

(4) The Lieutenant Governor in Council may make arrangements that may be necessary for supplying the money required to implement any guarantee made under this section and to advance the amount necessary for that purpose out of the consolidated fund.

R.S.S. 1978, c.P-17, s.16; 1983-84, c.12, s.5.

Charge on revenue

17 All interest and instalments of principal and all sinking fund and other debt service charges in respect of the advances or loans mentioned in sections 14 and 15 shall be a first charge on the revenues of the corporation.

R.S.S. 1978, c.P-17, s.17.

Investment of surplus funds

18 The corporation may from time to time:

- (a) invest any part of the capital or operating moneys of the corporation in any security or class of securities mentioned in section 27 of *The Financial Administration Act*;
- (b) dispose of the investments in any manner, on any terms and in any amount the corporation deems expedient.

R.S.S. 1978, c.P-17, s.18; 1988-89, c.42, s.76.

Fiscal year

19 All books and accounts of the corporation shall be closed and balanced in each year on the thirtieth day of June or such other date as the Lieutenant Governor in Council may determine.

R.S.S. 1978, c.P-17, s.19.

Audit

20 The books and accounts of the corporation shall be audited annually by the Provincial Auditor or such other auditor as the Lieutenant Governor in Council may appoint and shall be audited more often at such other time or times as the Lieutenant Governor in Council may require.

R.S.S. 1978, c.P-17, s.20.

GENERAL PROVISIONS

Annual report

21(1) The corporation shall, in each fiscal year, in accordance with *The Tabling of Documents Act*, submit to the minister:

- (a) a report of the corporation upon its business for its immediately preceding fiscal year; and
- (b) a financial statement showing the business of the corporation for that fiscal year, in such form as may be required by the Treasury Board.

(2) The minister shall, in accordance with *The Tabling of Documents Act*, lay before the Legislative Assembly each report and statement received by him under subsection (1).

R.S.S. 1978, c.P-17, s.21.

Additional powers

22(1) The corporation, with the approval of the Treasury Board, may:

- (a) set up reserves for depreciation, obsolescence, replacements, contingencies and other purposes;
- (b) account for advances made by the Minister of Finance and the repayment of those advances, including provision for the creation and management of a sinking fund for the retirement of the advances;

- (c) create and manage a sinking fund for the replacement of moneys borrowed by the corporation under section 15;
 - (d) determine the sums of money to be paid by the corporation in order to reimburse the Minister of Finance for the full amount of interest paid by him on moneys advanced for the purposes of the corporation, and for the charges and expenses incurred by him in providing those moneys;
 - (e) determine the times and manner in which the sums of money mentioned in clause (d) shall be paid by the corporation to the Minister of Finance.
- (2) The Treasury Board may make orders and issue directives with regard to the conduct of the financial operations of the corporation and the audit of its books and accounts.

R.S.S. 1978, c.P-17, s.22; 1983-84, c.34, s.14.