

BILL

No. 56 of 1949.

An Act to amend United Farmers of Alberta, Act, 1918.

(Assented to _____, 1949.)

WHEREAS by By-law duly enacted pursuant to section 1 of Chapter 76 of the Statutes of Alberta, 1946, the name of the corporation was changed to "United Farmers of Alberta Co-Operative Limited;" and

Whereas by principal By-law duly enacted pursuant to Section 3 of Chapter 94 of the said Statutes, 1948, it was provided that the corporation should have share capital as therein provided and by Extraordinary Resolution passed pursuant to Section 4 of said Chapter 94 the corporation was further authorized to issue certain shares of the par value and with the special rights and limitations therein provided; and

Whereas important changes in the exercise of its objects and powers has made it desirable to amend its Act of Incorporation and to set out therein the provisions above referred to; and

Whereas a petition has been presented praying that it be enacted as herein set forth and it is expedient to grant the prayer of that petition;

Therefore His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows,—

1. The name of the corporation is hereby changed to "United Farmers of Alberta Co-Operative Limited," provided always, that such change shall not in any way impair, alter or affect its rights or liabilities nor affect any suit now pending or judgment existing either by or in favour of or against it.

2. Notwithstanding anything contained in its Act of Incorporation, being Chapter 56 of the Statutes of Alberta, 1918, or amending Acts, the corporation shall have share capital as follows:

- (a) An unlimited number of ordinary shares of the par value of \$5.00 or of such other amount as shall from time to time be fixed by the by-laws of the corporation; and
- (b) Shares of such par value and with such preferred, deferred or other special rights or privileges as the

corporation may determine by Extraordinary Resolution, passed before or after the date on which this Act comes into effect, provided that with respect to any such shares the provisions of subsections (2) to (7) inclusive of section 17 of *The Co-operative Associations Act, 1946*, shall apply to the same extent as if the said subsections had been written in and formed part of this Act, and the Extraordinary Resolution passed at the Annual Meeting of the corporation on the First day of December, A.D. 1948, providing for an issue of twenty thousand preference shares of the par value of \$25.00 with the special rights and privileges and with the limitations and restrictions set out therein is hereby confirmed, and the said shares shall form part of the authorized capital of the corporation.

3. For the purpose of the last preceding section and of this Act, "Extraordinary Resolution" means a resolution which has been passed by a majority of not less than three-fourths of such delegates entitled to vote as are present in person at a general meeting of which not less than ten days' notice specifying the intention to propose the resolution has been duly given.

4. Section 7 (a) of said Chapter 56 of the Statutes of Alberta, 1918, as amended by Chapter 78 of 1944 is further amended by striking out the words "the affairs of the corporation shall be managed by a board of not less than nine directors" and substituting therefor the words "the affairs of the corporation shall be managed by a board of seven directors or such other number as shall from time to time be determined by its by-laws."

5. To the extent that they are not inconsistent with the provisions of said Chapter 56 of 1918 or amending Acts, Section 18, Subsection 1 of Section 20, and Section 25 of *The Co-operative Associations Act, 1946*, shall *mutatis mutandis* apply to the corporation to the same extent as if they had been written in and formed part of this Act.

6. The provisions of *The Companies Act*, being Chapter 240 of the Revised Statutes of Alberta, and amending Acts, shall not in any respect apply to the corporation or to its said Act of Incorporation or amending Act.

7. In addition to the ancillary and incidental powers granted the corporation by Section 2 of Chapter 76 of the Statutes of Alberta, 1946, the corporation may lend money to any person, co-operative association or company, where-soever incorporated, having dealings with it or with whom it proposed to have dealings, and may guarantee the contracts, obligations or securities of any such person, co-operative association or company.

8. The by-laws duly enacted by the directors and ratified and approved by the delegates at its annual meeting on the First day of December, A.D. 1948, shall be and remain the by-laws of the corporation until altered, amended or repealed in the manner provided by Section 7 (a) of said Chapter 56 of 1918 as amended by Chapter 78 of 1944.

9. Section 8 of said Chapter 56 of 1918, as amended by Chapter 78, 1944, and renumbered as Section 6, and as further amended by Chapter 76, 1946, and Chapter 94, 1948, is further amended by striking out the said Section and substituting the following:

6. Surplus earnings arising from the business of the corporation and remaining in its hands at the end of the fiscal years shall be dealt with as follow,—

- (a) by paying dividends on preferred shares in accordance with the obligations undertaken on the issue of such shares;
- (b) by setting aside such reserves as the directors may deem necessary or expedient;
- (c) by paying interest, if any is payable, at a rate not exceeding five per cent (5%) per annum on ordinary shares of the corporation;
- (d) by allocating, crediting or paying to shareholders, or to shareholders and patrons, as its by-laws may provide, the balance or such part thereof as may be determined as patronage dividends in proportion to the volume of business done by each with the corporation during the year with appropriate differences in the rate for different classes of goods and services, provided however that patronage dividends due any patron who is not a shareholder may be retained by the corporation and credited to such patron on account of share capital until an amount has been accumulated equal to the par value of such number of shares as may be required by its by-laws.

10. The corporation may by by-law provide,—

- (a) That in lieu of the payment of patronage dividends in cash, the corporation may require its members or shareholders to undertake to make such loans or to incur such other obligations to the corporation to the extent of such patronage dividends as shall be set forth in the by-law and such by-law shall have the same effect as if each member had entered into a separate contract with the corporation for good consideration and shall create a legal obligation on the part of each member or shareholder to make such loans or incur such obligations but only to the extent of such patronage dividends.

11. This Act shall come into force on the day upon which it is assented to, excepting Sections 1 to 3 inclusive which shall be deemed to have been in force as of and from the Thirtieth day of November, A.D. 1948.

FIRST SESSION
ELEVENTH LEGISLATURE
13 GEORGE VI
1949

BILL

An Act to amend United Farmers of
Alberta Act, 1918.

Received and read the

First time

Second time

Third time

MR. CORNISH.
