

notice contained in a registered letter addressed to each shareholder and sent at least eight days beforehand."

Coming into force.

3. This act shall come into force on the day of its sanction.

CHAP. 28

An Act respecting Co-operative Agricultural Associations

[Assented to 14th April, 1908]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows :

R. S. Q.,
1755a, &c.,
replaced.

1. Section fourteenth of chapter seventh of title fourth of the Revised Statutes, as enacted by the act 52 Victoria, chapter 22, section 1, is replaced by the following :

" SECTION XIV

CO-OPERATIVE AGRICULTURAL ASSOCIATIONS

Formation of
certain asso-
ciations.

Their objects.

" 1755a. The Minister of Agriculture may authorize the formation, in any municipality or parish of the Province, of an association having for its object one or more or all of the following :—the improvement and development of agriculture or of any of its branches, the manufacture of butter or cheese, or both, the sale and purchase of agricultural products, live stock, farm implements, commercial fertilizers and other articles useful to the agricultural classes, under such name and distinguishing title as its founders may choose, provided that such name as a whole cannot be confounded with that of any other existing association.

Members'
declaration.

" 1755b. The association shall consist of at least twenty-five persons, who shall sign a declaration according to form A of this section.

Association,
a joint-stock
company, &c.

" 1755c. Each association shall be a joint-stock company, the responsibility of its members or shareholders being limited to the amount of their respective holdings.

Amount of
shares, how
payable.

" 1755d. The amount of each share shall be ten dollars, payable in yearly instalments of one dollar :—the first on the day of subscription and the remainder from year to year at

the same date. A shareholder may, at any time, pay in advance the amount due by him on his shares.

“ **1755e.** The capital of the association shall be variable. Capital variable

“ **1755f.** Shares shall be in the name of the holder, and be transferable on fulfilment of the formalities prescribed by the by-laws of the association. Transfer of shares, &c.

“ **1755g.** The declaration shall be signed in duplicate by the founders in the presence of a witness. One of such duplicates shall be sent to the Minister of Agriculture who, if he deems it advisable to authorize the formation of the association, shall cause to be published without delay in the *Quebec Official Gazette*, a notice according to form B of this section, of the formation of the association, and a notice according to form C of this section shall be at once sent to the prothonotary of the district and to the registrar of the registration division in which the association is formed. Declaration how signed, &c. Notices in Quebec Official Gazette, &c.

“ **1755h.** The association shall consist of the persons who have signed the declaration mentioned in article 1755b and of all who afterwards subscribe for shares in the association. Who members.

“ **1755i.** From and after the publication of the aforesaid notice in the *Quebec Official Gazette*, the association becomes a corporation under the name given to it in the notice. When it becomes corporation.

With the consent of the board of management, the Minister of Agriculture may change the name of the association by a notice published in the *Quebec Official Gazette*. Change of name.

The association shall have power to acquire and hold lands, and may sell, lease or otherwise dispose of the same, but cannot hold more than five hundred acres at any one time. Acquisition of lands, &c.

It may have business offices in various places in the Province of Quebec. Business offices.

“ **1755j.** The association shall be managed by a board of five directors, three of whom shall constitute a quorum. The directors shall remain in office until the election of their successors at the annual general meeting. They shall be eligible for re-election. Directors, quorum, &c.

They shall hold their meetings according to adjournment or to the written notice given to each of them by order of the president or, in his absence, by order of the vice-president or of two members of the board, at least six days previous to that fixed for holding such meetings. Such notice may be given by registered letter addressed to each director and deposited in the post office of the place where the principal place of business Directors' meetings, &c.

	of the association is situated, at least six days previous to such meeting.
By-laws of directors.	The directors shall have full power at any meeting to adopt by-laws for the government of the association, and to amend or repeal the same, provided such by-laws do not conflict with those adopted at the general meetings of the shareholders of the association.
Powers of directors.	<p>“ 1755k. 1. The board of directors of the association shall, in accordance with the provisions of this section and of the by-laws of the association, deliberate, transact and enact in connection with all matters relating to the interests of the society and, among other things, may :</p> <p>a. Establish the special conditions of any contract, being particularly careful to see that the interests of the association are protected ;</p> <p>b. Borrow money ;</p> <p>c. Acquire moveables, live stock and immoveables and re-sell the same ;</p> <p>d. Authorize all legal and judicial proceedings.</p>
Limit of borrowing power.	2. The aggregate amount of the sums borrowed by the association shall never exceed the amount of the subscribed shares.
Election of president, &c.	<p>“ 1755ka. The board of directors shall yearly elect a president and vice-president from among its members, at its first meeting following the annual general meeting.</p> <p>The president and vice-president of the board of directors shall at the same time be the president and vice-president of the association.</p>
Secretary-treasurer.	The board of directors shall appoint a secretary-treasurer and fix the amount of his remuneration.
Directors serve gratuitously.	“ 1755kb. The services of the members of the board of directors shall be gratuitous.
Filling of vacancies on board.	“ 1755kc. In the event of a vacancy in the board of directors, the remaining members shall fill such vacancy for the remainder of the term.
General meeting.	“ 1755kd. 1. The general meeting shall consist of all the members of the association.
When and where held, &c.	A general meeting shall be held every year on the second Thursday of January at ten o'clock in the forenoon, in the locality where the principal place of business is situated, at a spot to be indicated by the directors. It shall elect the members of the board of directors and an auditor.
First meeting.	The first meeting may be called at any time by two of the members of the association, by means of a notice deposited in

the post office of the locality where the principal place of business is situated, contained in an envelope, registered and addressed to each member at least eight days before such meeting.

It shall elect the first directors, who shall remain in office until the election of their successors at the following annual general meeting. It shall likewise appoint an auditor. Election of first directors, &c.

2. General meetings shall afterwards be convened by the president or, in his default, by the vice-president, by means of a registered letter sent to each member at least eight days before the day fixed for the meeting. Calling of subsequent meetings, &c.

" 1755ke. The decisions of the general meeting shall be by the majority of votes ; and when the votes are equally divided, the president shall have a casting vote. Majority vote to govern, &c.

Each shareholder shall have one vote for every share he holds, and on which at least one instalment is paid. Voting of shareholders.

The general meeting may adopt by-laws for the general administration of the association and all other necessary by-laws, provided they be not incompatible with the laws of this Province. Special general meetings may also be called by the president or vice-president, as the case may be, upon a decision of the board of directors. By-laws passed by general meeting. Special meetings.

" 1755kf. The accounts of the association shall be kept by the secretary-treasurer, under the control of the board of directors, and shall be audited by the auditor. Accounts, their audit, &c.

The accounts of the association shall be closed on the thirty-first of December of every year. Closing of accounts.

After the closing of the fiscal year and during the first week of January, a statement of the affairs of the association shall be prepared and attested by the secretary-treasurer. Statement of affairs.

" 1755kg. Such statement must be approved by the auditor and contain : Contents of statement.

a. The list of members on the thirty-first of December, the number of shares subscribed, and the amount paid by each shareholder ;

b. A succinct statement of the assets and liabilities of the association ;

c. A statement of the year's operations showing the profit and loss ;

d. All other information required for such purpose by the by-laws of the association.

" 1755kh. The general meeting shall decide, in accordance with such statement, the amount of the profits to be allotted. Allotment of profits.

Reserve
fund, &c.

The association may have a reserve fund equal to the capital subscribed. So long as the association has no such reserve, the total amount of dividends allotted yearly shall not exceed six per cent of the paid-up capital.

Contracts,
&c., how
signed, &c.

“ **1755^{ki}**. All contracts, notes, cheques, drafts or documents binding the association, must be signed by the president or vice-president and by the secretary-treasurer under general or special authorisation of the board of directors.

Dissolution
and winding
up.

“ **1755^{kj}**. If an association ceases operations for two years, the Minister of Agriculture may, at the request of the board of directors declare the association dissolved, realize its property and apply the proceeds thereof to the payment of the debts of the association and divide the assets among the shareholders in proportion to the shares subscribed and paid.

Secretary-
treasurer, his
obligations
and security.

“ **1755^{kk}**. The secretary-treasurer of each association shall be responsible to it for all moneys received by him in his official capacity, and he shall be bound to give security to the amount fixed by the board of directors, to the satisfaction of the president and vice-president.

Renewal of
security.

The security shall be renewed whenever required by the association, and the bond may be according to form D of this section.

Books, &c.,
open to
members.

“ **1755^{kl}**. The books and by-laws shall be constantly open to inspection by the members of the association.

Exemption
from Gov-
ernment
taxes.

“ **1755^{km}**. The property of the association shall be exempt from all Government taxes.”

Coming into
force.

2. This act shall come into force on the day of its sanction.

FORMS

A.—(Article 1755b)

ACT RESPECTING CO-OPERATIVE AGRICULTURAL ASSOCIATIONS

The undersigned declare that they become members of a co-operative agricultural association with limited liability, under the name of The Co-operative Agricultural Association having its principal place of business at in the county of and that they subscribe the number of shares respectively set opposite their names.

Dated at this day of the month of one thousand nine hundred and

Witnesses	Names	Surnames	Residences	Occupations	Number of shares of \$10.00

B.—(Article 1755g)

NOTICE OF THE FORMATION OF A CO-OPERATIVE AGRICULTURAL ASSOCIATION PUBLISHED IN THE QUEBEC OFFICIAL GAZETTE

Notice is hereby given that a co-operative agricultural association has been formed in the county of“ (or as the case may be) under the name of the Association” and that its principal place of business will be in

Minister of Agriculture.

C.—(*Article 1755g*)

NOTICE TO THE PROTHONOTARY AND REGISTRAR

Notice is hereby given that a co-operative agricultural association has been formed in the county of
 (or as the case may be) under the name of the “ Association ”
 and that its principal place of business will be in the
 Secretary.

D.—(*Article 1755kk*)

BAIL-BOND

Province of Quebec. }

We
 residing in the of
 and residing in the
 of , bondsmen of
 secretary-treasurer of the “ Association ”,
 do acknowledge ourselves to be respectively indebted to the
 said Association, hereof accepting through
 the president and vice-president thereof, in the sum of
 dollars, for the use and benefit of the said association.

And we hereby jointly and severally bind ourselves, our
 heirs and assigns, one of us alone for the whole amount without
 division or discussion, for the faithful and full payment of the
 sum above mentioned in accordance with article 1755kk of the
 Revised Statutes.

The conditions of this bail-bond are as follows :

Should the said well and
 faithfully fulfil all the duties and obligations imposed on him
 in his capacity of secretary-treasurer of the
 Association in the county of and employ
 the moneys coming into his hands for the purposes and in the
 manner indicated by the board of directors of the association,
 and according to law, and render a faithful and honest
 account of the said moneys and of his operations as secretary-
 treasurer, then the present bond shall be null and void ; but,
 otherwise it shall remain in full force and effect for the pur-
 poses of article 1755kk of the Revised Statutes.

Done and attested at }
 this day }
 of 19 . }

Surety.

Surety.

Accepted by

President of the
 Vice-president of the

Association
 Association