

NATIONAL ASSEMBLY
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1995, chapter 87

AN ACT TO AMEND THE ACT RESPECTING THE CHARTER OF THE COOPÉRATIVE FÉDÉRÉE DE QUÉBEC

Bill 224

Introduced by Mr Benoît Laprise, Member for Roberval

Introduced 10 May 1995

Passage in principle 22 June 1995

Passage 22 June 1995

Assented to 22 June 1995

Coming into force: 22 June 1995

Legislation amended:

Act respecting the charter of the Coopérative Fédérée de Québec (1968, chapter 116)





CHAPTER 87

An Act to amend the Act respecting the charter of the Coopérative Fédérée de Québec

[Assented to 22 June 1995]

Preamble WHEREAS it is in the interest of the Coopérative Fédérée de Québec and of its members that its charter, chapter 116 of the statutes of 1968 as amended by chapter 93 of the statutes of 1973, chapter 109 of the statutes of 1977, section 324 of chapter 26 of the statutes of 1982 and chapter 137 of the statutes of 1986, be amended to delegate, to the general meeting of the members of the association, the power to determine by by-law the number and the par value of the qualifying shares that a cooperative governed by the Cooperatives Act (R.S.Q., chapter C-67.2) is required to hold in order to be a member of the association, to make the issue of share certificates optional and to make it easier for the members of a section of the association to become members of another cooperative;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1968, c. 116,
s. 2,
replaced **1.** Section 2 of the Act respecting the charter of the Coopérative Fédérée de Québec (1968, chapter 116) is replaced by the following section:

Powers **“2.** The association shall exercise the powers conferred upon it by this Act under the name “Coopérative Fédérée de Québec”.

1968, c. 116,
s. 6,
replaced **2.** Section 6 of the said Act is replaced by the following section:

Qualifying
shares **“6.** The shares which a member must subscribe for under section 16 are common or preferred shares and are designated as qualifying shares.

Shares A member of the association may subscribe for shares in addition to those which he must subscribe for under section 16.”

1968, c. 116,
s. 7,
replaced
Par value **3.** Section 7 of the said Act is replaced by the following section :

“**7.** The par value of each qualifying share is the value determined by by-law of the general meeting of the association or of its board of directors according to the provisions of section 17 and is payable in cash or according to the terms fixed by the board of directors of the association, except the shares subscribed for before 22 June 1995, which are considered to be qualifying shares that retain the same denomination.

Par value The par value of the common shares other than the qualifying shares of a cooperative governed by the Cooperatives Act (R.S.Q., chapter C-67.2) is determined by the board of directors. Those shares are payable in cash or according to the terms fixed by the board of directors.”

1968, c. 116,
s. 8,
replaced
Classes of
common
shares **4.** Section 8 of the said Act is replaced by the following section :

“**8.** The board of directors may create classes of common shares other than qualifying shares and decide, each year, to pay interest on any or each of such classes of common shares.”

1968, c. 116,
s. 10, am. **5.** Section 10 of the said Act is amended by replacing the second and third paragraphs by the following paragraphs :

Preferred
shares “The preferred shares shall have priority as to principal over the common shares in the case of winding-up or otherwise and in addition shall have the privileges, rights and priorities and be subject to the restrictions and limitations determined by the board of directors.

Preferred
shares The preferred shares shall be redeemable on the conditions fixed by the board of directors. They may be reissued.”

1968, c. 116,
s. 13a,
added **6.** The said Act is amended by inserting, after section 13, the following section :

Share
certificates “**13a.** Where the board of directors decides to issue share certificates, the certificates shall set forth the privileges, rights, priorities, restrictions, limitations of the shares and the conditions of redemption.”

1968, c. 116,
s. 14,
replaced **7.** Section 14 of the said Act is replaced by the following section :

Composition

14. The association shall be composed of the holders of the qualifying shares subscribed and paid for according to law and the by-laws of the association.”

1968, c. 116,
s. 15, am.

8. Section 15 of the said Act is amended by replacing paragraph *a* by the following paragraph:

“(a) a cooperative governed by the Cooperatives Act, a federation of such cooperatives or a mutual assistance body whose aims are consistent with those of the association, hereinafter called “Association”;

1968, c. 116,
s. 16,
replaced
Member-
ship

9. Section 16 of the said Act is replaced by the following section:

16. Any association, producer or group of producers that has subscribed and paid for qualifying shares, according to law and the by-laws of the association, shall be a member.”

1968, c. 116,
s. 17, am.

10. Section 17 of the said Act is amended by replacing paragraphs *a*, *b* and *c* by the following paragraphs:

“(a) an association which is a cooperative governed by the Cooperatives Act must subscribe and pay for the number and the par value of the qualifying shares determined by by-law of the general meeting of the members of the association; however, the class of those qualifying shares, their privileges, rights, priorities, restrictions, limitations and conditions of redemption are those determined by the board of directors; the number and the par value of the qualifying shares that a cooperative governed by the Cooperatives Act must hold to be a member of the association may vary according to the nature of its activities or the qualifications inherent in the status of its members;

“(b) an association other than a cooperative governed by the Cooperatives Act and a mutual assistance body must subscribe and pay for the number of qualifying shares determined by the board of directors of the association;

“(c) a producer or a group of producers must subscribe for the number of qualifying shares determined by the board of directors of the association.”

1968, c. 116,
s. 18, am.

11. Section 18 of the said Act is amended by replacing that part of the first paragraph preceding paragraph *a* by the following:

Conditions “**18.** In addition to subscribing for the number of qualifying shares determined under section 17, an association, a mutual assistance body, a producer or a group of producers, in order to become a member, must:”.

1968, c. 116,
ss. 19a-19f,
added “**12.** The said Act is amended by inserting, after section 19, the following sections:

Transfer “**19a.** Where a cooperative governed by the Cooperatives Act purchases a substantial part of the business of the association operated within the framework of a section or where a cooperative does business or expects to do business in the territory where a majority of the members of a section are resident, the association and the cooperative may agree on the members of that section becoming members of the cooperative and on the transfer to that cooperative of the amounts paid on the shares the members subscribed for in the capital stock of the association.

Agreement “**19b.** The association and the cooperative intending to make the change in membership and to carry out the transfer shall enter into an agreement which, in addition to other terms they may agree upon, shall indicate

(a) the full name and address of each member of the section becoming a member of the cooperative and in respect of whom the transfer is made, as well as the number of shares held by each in the capital stock of the association and the amounts paid on the shares;

(b) the number, class and par value of the shares of the cooperative which each member of the section concerned must subscribe and pay for in order to become a member of the cooperative;

(c) the other conditions and, as the case may be, the shareholder’s contract to be signed by each member of the section concerned in order to become a member of the cooperative;

(d) the amounts paid by the members of the section concerned on the shares subscribed for in the capital stock of the association which the association has agreed to transfer to the cooperative as well as the terms and conditions of payment thereof;

(e) the number of shares and the class of shares which a member of the section concerned is deemed to subscribe for in the cooperative and the amounts allotted by the cooperative to the member as payment for those shares out of the amounts transferred to the

cooperative by the association; the total par value of those shares shall be equal to the amounts paid by the member on the shares subscribed for in the capital stock of the association which the association has agreed to transfer to the cooperative in accordance with the agreement; and

(f) the date of effect of the agreement.

Resolution “**19c.** The members of the section concerned shall, at a special meeting called for such purpose, adopt a resolution to approve the agreement. The resolution must be adopted by two-thirds of the votes cast by the members attending the special meeting.

Notice of special meeting “**19d.** The notice of the special meeting shall be accompanied with a copy or a summary of the agreement, stating that if it is accepted, the members of the section concerned will cease to be members of the association to become members of the cooperative, the shares they hold in the capital stock of the association will be cancelled and the amounts paid on the shares will be transferred to the cooperative subject to the terms and conditions of the agreement.

Approval “**19e.** In the case of the association and the cooperative, the directors shall approve the agreement and authorize one of their number to sign the agreement.

Presumption “**19f.** Where the agreement is accepted in accordance with the aforementioned provisions, and from the date it becomes effective,

(a) the members of the section concerned are deemed

i. to become members of the cooperative and to cease to be members of the association, and

ii. to have subscribed and paid for shares in the capital stock of the cooperative and, as the case may be, to have signed the shareholder’s contract in accordance with the provisions of the agreement; and

(b) the shares held by the members of the section concerned in the capital stock of the association will be deemed to be cancelled in accordance with the provisions of the agreement.”

1968, c. 116,
s. 32,
replaced

13. Section 32 of the said Act, amended by section 1 of chapter 109 of the statutes of 1977, is replaced by the following section:

- Units **“32.** The units allotted to a member association according to the number of its members may be counted only in the proportion that the member association has paid to the association the amounts due on the qualifying shares, and such payment must have been made before the close of the association’s fiscal year.”
- By-law **14.** The by-law determining the number and the par value of the qualifying shares that a cooperative must hold in order to be a member of the association, passed by the general meeting of its members held on 23 February 1995, comes into force on the date of coming into force of this Act.
- Coming into
force **15.** This Act comes into force on 22 June 1995.