

*chapter A-24*

**COOPERATIVE ASSOCIATIONS ACT**

*Chapter A-24 is replaced by the Cooperatives Act (chapter C-67.2). (1982, c. 26, s. 325).  
1982, c. 26, s. 325.*

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***REPEAL SCHEDULE***

**DIVISION I**

**DEFINITION - APPLICATION**

**1.** *In this act, the following expressions mean:*

- (a) *“cooperative association” or “association” : a cooperative association governed by this act;*
- (b) *“founder” : a person who has signed the memorandum of association or who has been admitted as a member at the time of the organization meeting;*
- (c) *“federation of cooperative associations” or “federation” : a federation of cooperative associations governed by this act;*
- (d) *“Conseil de la coopération” : the Conseil de la coopération du Québec incorporated by letters patent issued by the Lieutenant-Governor of Québec on the 8th of January 1940;*
- (e) *“general reserve” : the reserve contemplated in section 88;*
- (f) *“Minister” : the Minister of Financial Institutions and Cooperatives.*

*R. S. 1964, c. 292, s. 1; 1970, c. 58, s. 1; 1975, c. 76, s. 11; 1981, c. 9, s. 24.*

**2.** *The Minister of Financial Institutions and Cooperatives shall have charge of the application of this act.*

*R. S. 1964, c. 292, s. 2; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11; 1981, c. 9, s. 24.*

**DIVISION II**

**FORMATION OF ASSOCIATIONS**

**3.** *The Minister, upon the filing of a memorandum of association as provided in section 6 and after consultation with the Conseil de la coopération, may authorize the formation of a cooperative association for any economic purposes, except*

- (a) *the purposes for which a credit union may be formed under the Savings and Credit Unions Act (chapter C-4);*
- (b) *the operation of a hospital centre;*
- (c) *the construction and operation of a railway;*
- (d) *the insurance and trust businesses.*

*R. S. 1964, c. 292, s. 3; 1966-67, c. 72, s. 23; 1971, c. 48, s. 161; 1975, c. 76, s. 11.*

**4.** *The Minister, after consultation with the Conseil de la coopération and according to the same procedure, may also authorize the formation of cooperative associations for educational, scientific, artistic, athletic, sporting or recreational purposes.*

*R. S. 1964, c. 292, s. 4; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

**5.** *Cooperative associations shall operate in accordance with the following rules of cooperative activity:*

- (a) *the number of members shall not be limited;*
- (b) *a member shall have one vote only, whatever the number of shares that he holds, and shall not vote by proxy;*

(c) *interest on common shares shall be limited;*

(d) *the annual operating surplus shall be paid into the general reserve or apportioned or credited to members proportionately to the business carried on by each of them with the association.*

*R. S. 1964, c. 292, s. 5; 1970, c. 58, s. 2.*

**6.** *Persons wishing to form a cooperative association must sign in duplicate before a witness a memorandum of association in accordance with form 1.*

*Such memorandum must be signed by at least twelve persons, but the Minister, on the recommendation of the Conseil de la coopération, may reduce such minimum number to five.*

*R. S. 1964, c. 292, s. 6; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

**7.** *The memorandum must state:*

(a) *the name of the proposed association;*

(b) *its corporate seat;*

(c) *the objects for which it is formed;*

(d) *the amount of each share of common stock;*

(e) *the name in full, occupation and residence of the signatories and the number of common shares subscribed for by each;*

(f) *the name in full, occupation and residence of the person appointed to act as provisional secretary of the association to file the copies of the memorandum with the Minister and to call the organization meeting;*

(g) *the manner of calling such meeting.*

*R. S. 1964, c. 292, s. 7; 1966-67, c. 72, s. 23; 1970, c. 58, s. 3; 1975, c. 76, s. 11.*

**8.** *The two copies of the memorandum shall be sent to the Minister. If he approves the formation of the association, he shall so signify by signing both copies.*

*Notice of such approval shall be published in the Gazette officielle du Québec at the expense of the association.*

*After such notice is published, one of the copies shall be deposited in the records of the Ministère des Institutions financières et Coopératives and the other returned to the provisional secretary of the association.*

*From the publication of such notice in the Gazette officielle du Québec, the founders shall be a cooperative association, which is a corporation within the meaning of the Civil Code.*

*Publication of the notice is conclusive proof of the formation and existence of the association and of the name by which it is to be designated.*

*R. S. 1964, c. 292, s. 8; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11; 1977, c. 5, s. 14; 1981, c. 9, s. 24.*

***DIVISION III***

***NAME***

**9.** *The name of a cooperative association must not be liable to confusion with that of another association, society or corporation and shall in no case include the words “syndicate”, “cooperative syndicate”, “society” or “cooperative society”.*

*It must in all cases include one of the words or expressions “cooperative association”, “cooperative”, “cooperation” or “co-op”.*

*R. S. 1964, c. 292, s. 9; 1970, c. 58, s. 4.*

**10.** *With the exception of a corporation governed by the Cooperative Syndicates Act (chapter S-38), the Act respecting Cooperative Agricultural Associations (chapter S-24) or the Rural Electrification Act (chapter 48 of the statutes of 1945), or a mutual insurance company recognized or established under the Act respecting insurance (chapter A-32) or under the Act respecting certain mutual companies of insurance against fire, lightning and wind (chapter C-39), no person other than a cooperative association shall use, in his name or style or in connection with his operations, the words “cooperative association”, “cooperative”, “cooperation” or “co-op”.*

*R. S. 1964, c. 292, s. 10; 1974, c. 70, s. 473.*

**11.** *Section 10 shall not apply to a corporation constituted under a Canadian act which authorizes it expressly to call itself a cooperative and requires it to comply with rules of cooperative activity substantially similar to those of section 5.*

*R. S. 1964, c. 292, s. 11.*

**12.** *Section 10 shall not prevent a corporation constituted before the 27th of March 1963 from continuing to use the name which it was then legally authorized to use.*

*R. S. 1964, c. 292, s. 12.*

**13.** *No association shall be constituted under a name that includes the expressions “Co-op Store”, “Cooprix” or “Coopgro” unless such name has been approved by the Fédération des Magasins Co-op.*

*No association shall be constituted under a name which includes the expression “Co-op-Habitat” unless such name has been approved by the Fédération Co-op-Habitat du Québec.*

*R. S. 1964, c. 292, s. 13; 1970, c. 58, s. 5.*

**14.** *An association constituted under a name that includes an expression mentioned in section 13 shall, within sixty days of its formation, furnish the Minister with proof of its affiliation with the federation which approved such name.*

*If such association has not given proof of such affiliation within such delay, the Minister, of his own motion or at the request of the association or of the federation concerned, shall give the association another name that does not include any of the expressions mentioned in section 13.*

*1970, c. 58, s. 5.*

**15.** *An association whose affiliation with the federation that approved its name is revoked must change its name within sixty days of such revocation.*

*If it fails to do so, the Minister shall give it another name that includes none of the expressions mentioned in section 13.*

*Notice of such change of name shall be published, at the expense of the association, in the Gazette officielle du Québec.*

*1970, c. 58, s. 5.*

**16.** *Section 13 shall not prevent a corporation constituted before the 17th of July 1970 from continuing to use the name which it was then legally authorized to use.*

*1970, c. 58, s. 5.*

**17.** *An association shall be constituted only under a French name or under a name comprising a French version.*

*1970, c. 58, s. 5.*

**18.** *No association shall in the course of its business use any other name than that given to it in the memorandum of association unless it has changed its name by by-law in accordance with section 52, and in such case it shall use its new name only.*

*If the association has a French name and an English name or a name comprising a French version and an English version, it may be legally designated by its French name or the French version of such name or by both names or both versions.*

*1970, c. 58, s. 5.*

## **DIVISION IV**

### **POWERS OF ASSOCIATIONS**

**19.** *A cooperative association shall possess the rights and powers of a corporation within the meaning of the Civil Code and may in particular:*

- (a) acquire and hold immoveables and sell, hypothecate, lease or otherwise dispose of the same;*
- (b) give in payment of a portion of the price of produce delivered or services rendered to it, up to ten per cent, loan certificates, shares of common stock, bonds or other securities;*
- (c) invest, in accordance with paragraphs a to g of article 981o of the Civil Code or in loans to the federation of which it is a member or to another cooperative association, its available funds not immediately required;*
- (d) acquire shares of a union governed by the Savings and Credit Unions Act (chapter C-4);*
- (e) acquire, in whole or part, and assuming the obligations relating thereto, the assets, stock or shares of any person, society or corporation pursuing objects similar or related to those which it is itself authorized to pursue;*
- (f) establish a system of retirement with pension or contribute to the establishment of such a system for the benefit of its employees and their dependants, subject however to the Act respecting supplemental pension plans (chapter R-17);*
- (g) create relief funds and social security services for the benefit of the persons mentioned in paragraph f or contribute thereto and pay insurance premiums or contributions for such persons or for its members;*
- (h) subscribe or guarantee funds for cooperative promotional or educational purposes or for charitable, benevolent, educational or artistic purposes;*
- (i) exercise as mandatory the powers that it is authorized to exercise as principal;*

(j) *issue, endorse and accept promissory notes, bills of exchange, drafts and other negotiable instruments;*

(k) *borrow, hypothecate its immoveables and pledge its moveables;*

(l) *issue bonds and, to secure the payment thereof, hypothecate, mortgage or pledge its moveable and immovable property, present or future, and convey and transfer the same to a trustee, in accordance with Division VII of the Special Corporate Powers Act (chapter P-16);*

(m) *sell, exchange or pledge any bonds so issued;*

(n) *retain, for the recovery of any claim by it against a member, any moneys that it may owe him, and apply the same in compensation.*

*R. S. 1964, c. 292, s. 14; 1966-67, c. 82, s. 4; 1970, c. 58, s. 6; 1977, c. 5, s. 14; 1982, c. 48, s. 340.*

## **DIVISION V**

### **ORGANIZATION MEETING**

**20.** *The first or organization meeting of the association must be held within sixty days after the publication of the notice provided for in section 8.*

*The notice calling the founders to such meeting shall be given by the provisional secretary, in the manner determined in the memorandum of association.*

*If the provisional secretary is absent or unable to act, the meeting may be called by two founders.*

*R. S. 1964, c. 292, s. 15; 1970, c. 58, s. 7.*

**21.** *The agenda of the organization meeting shall be as follows:*

(a) *election of the chairman and the secretary of the meeting and acceptance of new members;*

(b) *reading of the memorandum of association and of the notice of formation published in the Gazette officielle du Québec;*

(c) *consideration and adoption of by-laws of internal management;*

(d) *election of the members of the board of directors;*

(e) *appointment of an auditor;*

(f) *affiliation, if need be, with a federation.*

*R. S. 1964, c. 292, s. 16; 1970, c. 58, s. 8.*

## **DIVISION VI**

### **MEMBERS**

**22.** *The members of an association shall be its founders and any other person capable of contracting who,*

(a) *signs an application for membership in accordance with form 2;*

(b) *subscribes and pays for the minimum number of common shares according to the by-laws;*

(c) *undertakes to comply with the by-laws; and*

*(d) is admitted by the board of directors.*

*R. S. 1964, c. 292, s. 17.*

**23.** *Corporations and societies may also be members of an association.*

*R. S. 1964, c. 292, s. 18.*

**24.** *Minors at least sixteen years of age may become members of an association, subscribe for shares, make loans to an association and, in both cases, withdraw the benefits and the principal thereof.*

*1970, c. 58, s. 9.*

**25.** *A married woman common as to property may withdraw the benefits and the principal of shares for which she subscribes in an association or of loans which she makes to an association.*

*Pecuniary condemnations obtained against any such woman by reason of her holding an office in an association before the 1st of July 1970 with the express or implied authorization of her husband may be recovered out of the community property.*

*R. S. 1964, c. 292, s. 19; 1970, c. 58, s. 10.*

**26.** *The by-laws shall define the territory in which the association may recruit its members.*

*R. S. 1964, c. 292, s. 20.*

**27.** *The by-laws may establish a class of auxiliary members and determine the conditions of their admission and their rights and obligations.*

*Such members cannot vote and shall not be eligible for any office.*

*R. S. 1964, c. 292, s. 21.*

**28.** *If the by-laws so require, the members must undertake by contract, for a fixed period, to deliver, sell, purchase or receive property or services through the agency of the association.*

*R. S. 1964, c. 292, s. 22.*

**29.** *A member may resign by giving sixty days' notice in writing, unless a longer delay is provided in the by-laws.*

*The board of directors may accept such resignation before the expiration of the delay unless the member has made such delay a condition of his resignation.*

*R. S. 1964, c. 292, s. 23.*

**30.** *When the by-laws require the contract provided for in section 28, a member cannot resign during the term of his contract, except with the consent of the board of directors.*

*If such contract provides for a notice that the member does not intend to renew it any longer, such notice is equivalent to a resignation effective at the expiration of the contract.*

*R. S. 1964, c. 292, s. 24.*

**31.** *The board of directors, after informing a member in writing of the reasons advanced for his suspension or expulsion and affording him an opportunity to be heard, may suspend or expel him for any of the following reasons:*



(a) *if he has not made the payments due on his shares;*

(b) *if he has not carried out his engagements with the association;*

(c) *if he has been convicted of an indictable offence, made an abandonment of his property, offered a composition, been declared bankrupt or been interdicted;*

(d) *if he neglects to do business with the association, or injures or attempts to injure it; or*

(e) *if he carries on any activity in competition with that of the association.*

*The minutes of the sitting of the board of directors at which a member is suspended or expelled shall set forth the facts giving rise to such decision. Notice of the suspension or expulsion shall be sent to him by registered or certified letter within six days after the decision.*

*R. S. 1964, c. 292, s. 25; 1975, c. 83, s. 84.*

**32.** *A member suspended or expelled shall forfeit the right to receive notice of meetings of the association and to attend and vote thereat, as well as the right to hold any office.*

*The loss of such rights shall take effect from the passing of the resolution of the board of directors.*

*R. S. 1964, c. 292, s. 26.*

**33.** *A member shall not be suspended for a period exceeding six months.*

*R. S. 1964, c. 292, s. 27.*

## **DIVISION VII**

### **CAPITAL STOCK**

**34.** *The capital stock of an association shall consist of the common shares subscribed by the members and the preferred shares that it issues.*

*Such capital shall be variable.*

*R. S. 1964, c. 292, s. 28.*

**35.** *The common shares for which a person must subscribe to become a member of an association are called qualification shares.*

*R. S. 1964, c. 292, s. 29.*

**36.** *The by-laws shall fix the minimum number of common shares that a person must subscribe for to become a member of the association, and the mode of payment and the amount of the instalments to be paid on the common shares subscribed.*

*R. S. 1964, c. 292, s. 30.*

**37.** *The board of directors, subject to the preferences granted by by-law to the preferred shares, may decide each year to pay interest on the common shares at a rate not exceeding six per cent per annum.*

*R. S. 1964, c. 292, s. 31; 1970, c. 58, s. 11.*

**38.** *The common shares shall be registered and shall be transferable only in accordance with the by-laws of the association.*

*R. S. 1964, c. 292, s. 32.*

**39.** *The board of directors may order the confiscation by the association of shares on which an instalment two years or more overdue has not been paid. Such confiscation shall take effect two months after a notice has been sent, by registered or certified letter, to the last known address of the member concerned, unless he has paid the overdue instalment within such delay.*

*R. S. 1964, c. 292, s. 33; 1975, c. 83, s. 84.*

**40.** *In the case of the death, resignation, expulsion or interdiction of a member, the association shall repay to the member, his heirs or representatives the sums paid on his common shares.*

*Nevertheless, no association shall*

*(a) repay in any one fiscal year more than ten per cent of its common shares;*

*(b) appropriate for such repayment in any one fiscal year an amount equal to more than one-half of its general reserve;*

*(c) make such repayment when it is insolvent or when such repayment would make it insolvent;*

*(d) make such repayment when the board considers that it would be detrimental to the financial stability of the association.*

*R. S. 1964, c. 292, s. 34; 1970, c. 58, s. 12.*

**41.** *Subject to the restrictions provided in section 40 and to the conditions laid down by the by-laws, the board of directors may permit a member to withdraw the sums paid on his common shares other than his qualification shares.*

*R. S. 1964, c. 292, s. 35.*

**42.** *An association may determine by special by-law the cases in which the repayment provided for in section 40 shall be made by precedence.*

*R. S. 1964, c. 292, s. 36.*

**43.** *If authorized by the by-laws, the board of directors may issue in the name of the association preferred shares of one or more classes, the certificates for which shall state the amount, the conditions of redemption and the preferences, rights and restrictions thereof.*

*The holders of preferred shares shall not be entitled, as such, to receive notice of general meetings, to attend or vote thereat or to hold any office in the association.*

*R. S. 1964, c. 292, s. 37; 1970, c. 58, s. 13.*

**44.** *The by-laws may require every person admitted as a member to pay an initiation fee.*

*The amount of such fee shall be paid into the general reserve.*

*R. S. 1964, c. 292, s. 38; 1970, c. 58, s. 14.*

## **DIVISION VIII**

### **GENERAL MEETING**

**45.** *The members of an association shall constitute its general meeting, when convened at an annual or special meeting.*

*R. S. 1964, c. 292, s. 39.*

**46.** *Notice calling a meeting shall be given in the manner prescribed by the by-laws.*

*Failing such provision in the by-laws, the notice shall be mailed to each member or delegate at least five days before the date fixed.*

*The notice calling a general meeting other than the organization meeting shall mention any by-law which may be passed or amended thereat.*

*R. S. 1964, c. 292, s. 40.*

**47.** *The general meeting shall be legally constituted by the members or delegates present.*

*R. S. 1964, c. 292, s. 41.*

**48.** *At a general meeting, a member shall have one vote only, whatever number of shares he may hold.*

*Such vote cannot be given by proxy, but a corporation or society may be represented and vote by a delegate.*

*The wife or husband of a member who is absent from the meeting may vote thereat in his or her place.*

*R. S. 1964, c. 292, s. 42.*

**49.** *The by-laws may provide that members admitted less than three months before the holding of a meeting shall not be entitled to vote thereat.*

*R. S. 1964, c. 292, s. 43.*

**50.** *When an association has more than one hundred members or carries on business in more than one electoral district, the by-laws may order the division of the members into groups and authorize each group to elect, in the manner determined by by-law, the number of delegates fixed by by-law.*

*Each delegate shall have one vote, unless the by-laws entitle him to as many votes as there are members in the group he represents.*

*An absent delegate may be replaced by a substitute designated by the group he represents.*

*Unless their presence is prohibited by a special by-law, the members other than the delegates or substitutes may attend meetings but shall not vote thereat.*

*R. S. 1964, c. 292, s. 44.*

**51.** *The general meeting may amend the by-laws of internal management.*

*R. S. 1964, c. 292, s. 45.*

**52.** *The general meeting, by special by-law, may:*

- (a) change the corporate seat of the association;*
- (b) change the objects of the association;*
- (c) change the name of the association;*
- (d) increase or decrease the amount of each common share.*

*Such by-law shall not come into force until its approval by the Minister and the publication of a notice according to section 8.*

*R. S. 1964, c. 292, s. 46; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

**53.** *Decisions of the general meeting shall be taken by the majority of the votes of the members present or of the delegates or substitutes present and, in case of a tie, the chairman shall be entitled to a second vote.*

*Nevertheless a special by-law cannot be passed except by a two-thirds majority of such votes.*

*R. S. 1964, c. 292, s. 47.*

**54.** *Within four months after the end of each fiscal year of a cooperative association, its members shall be convened in an annual meeting to take communication of the annual report, decide upon the apportionment of the annual operating surplus, elect directors, appoint the auditor and decide any other matter relating to the association.*

*R. S. 1964, c. 292, s. 48; 1970, c. 58, s. 15.*

**55.** *The board of directors of the association, the president or the vice-president of the association or the board of directors of the federation of which it is a member may order that a special meeting of the members of the association be held whenever he or it deems it expedient.*

*Furthermore, the board of directors of the association must order that such a meeting be held upon the requisition of one-fifth of the members.*

*In each such case, the secretary of the association shall call the members in accordance with section 46.*

*R. S. 1964, c. 292, s. 49; 1970, c. 58, s. 16.*

**56.** *If the meeting is not called and held within twenty-one days from the date on which the federation contemplated in the first paragraph of section 55 has caused a copy of the resolution by which it orders the meeting to be forwarded to the secretary of the association, such meeting may be called by such federation.*

*If the meeting is not called and held within twenty-one days from the date on which the requisition contemplated in the second paragraph of section 55 was filed at the corporate seat of the association, the meeting may be called by two signatories of the requisition.*

*R. S. 1964, c. 292, s. 50; 1970, c. 58, s. 16.*

**57.** *At a special meeting, only the matters mentioned in the notice calling it may be considered and decided upon.*

*A special meeting called for the purpose may dismiss any director and replace him for the unexpired portion of his term of office.*

*R. S. 1964, c. 292, s. 51.*

## **DIVISION IX**

### **BOARD OF DIRECTORS**

**58.** *The board of directors of an association shall consist of five directors chosen from among its members, at the annual meeting.*

*Nevertheless the by-laws may provide for a greater number of directors but not more than fifteen.*

*The directors shall remain in office until their successors are elected by the general meeting and they shall be re-eligible.*

*R. S. 1964, c. 292, s. 52.*

**59.** *The term of office of the directors may be extended to two or to three years, by special by-law. In such case, some of the directors shall be replaced each year according to the mode of rotation determined by such by-law.*

*R. S. 1964, c. 292, s. 53.*

**60.** *For the formation of the board of directors, the by-laws may divide the territory in which the association carries on business, allot a certain number of directors to each division and determine how each is to be nominated and elected.*

*R. S. 1964, c. 292, s. 54.*

**61.** *The association may provide, by special by-law, that a member shall not be eligible as a director*

*(a) if he has not paid the instalments due on the shares for which he has subscribed or is otherwise in arrears with the association;*

*(b) if he has not done business with the association during the preceding fiscal year in the amount fixed by such by-law.*

*R. S. 1964, c. 292, s. 55.*

**62.** *The board of directors shall manage the affairs of the association and shall exercise in its name and within the scope of the by-laws the powers generally or specially delegated to it by the general meeting.*

*R. S. 1964, c. 292, s. 56.*

**63.** *The board of directors shall, in particular,*

*(a) require every person having the management or custody of funds of the association to give security and shall prescribe the nature and amount thereof;*

*(b) insure the association against the hazards of fire, theft and public and employer's liability;*

*(c) appoint two persons to take the inventory at the close of the fiscal year, and specify how it is to be taken;*

*(d) at the annual meeting, give an account of its management and submit the annual report;*

*(e) forward a certified copy of the annual report as prescribed by section 87;*

*(f) facilitate the work of the auditor;*

*(g) promote cooperation among the members of the association and between the association and other cooperative bodies;*

*(h) encourage cooperative education by all effective means;*

*(i) furnish the Minister, upon request, with a duplicate of the by-laws of the association and with any information or other documents which he may require concerning the carrying out of this act.*

*R. S. 1964, c. 292, s. 57; 1970, c. 58, s. 17.*

**64.** *The board of directors shall meet at the call of the president, the vice-president or two directors, upon notice given by letter mailed at least five days before the date fixed for the meeting or as provided by the by-laws.*

*The meeting shall be held at the place indicated in the notice calling it or specified at the time of adjournment.*

*R. S. 1964, c. 292, s. 58.*

**65.** *A majority of the directors shall constitute a quorum of the board of directors.*

*The decisions of the board of directors shall be taken by the majority of the directors present.*

*In case of a tie, the chairman shall be entitled to a second vote.*

*R. S. 1964, c. 292, s. 59.*

**66.** *The directors shall serve gratuitously. Nevertheless a director may be repaid the expenses incurred by him in the performance of his duties, authorized or ratified by the board of directors.*

*R. S. 1964, c. 292, s. 60.*

**67.** *Any vacancy on the board of directors shall be filled, for the unexpired portion of the term of office of the director to be replaced by the remaining directors in office.*

*If, however, the number of directors remaining in office is not sufficient to constitute a quorum, any director or two members of the association or the board of directors of the federation of which it is a member, may order the secretary to call a special meeting of the members to fill such vacancy.*

*R. S. 1964, c. 292, s. 61.*

**68.** *Every director shall be personally liable for damage caused to the association by his violation of this act.*

*He may however free himself from such liability by having his dissent recorded in the minutes or by signifying it to the association, by registered or certified letter; by registered letter, within a reasonable delay after he acquires knowledge of the illegality committed.*

*R. S. 1964, c. 292, s. 62; 1975, c. 83, s. 84.*

## ***DIVISION X***

### ***EXECUTIVE COMMITTEE***

**69.** *If the board of directors of an association consists of more than eight directors it may, if authorized to do so by by-law, establish an executive committee.*

*Such executive committee shall consist of at least five persons chosen from among the directors by the board of directors which shall designate the chairman thereof.*

*Such executive committee shall exercise such powers of the board of directors as are delegated to it by the by-law.*

*The general meeting may each year grant a remuneration to the members of the executive committee.*

*R. S. 1964, c. 292, s. 63; 1970, c. 58, s. 18.*

**70.** *Three members of the committee shall constitute a quorum and decisions shall be taken by the majority of the members present.*

*R. S. 1964, c. 292, s. 64; 1970, c. 58, s. 19.*

**71.** *The board of directors may at any time, for reasons it deems sufficient, replace any member of the executive committee.*

*R. S. 1964, c. 292, s. 65; 1970, c. 58, s. 20.*

## **DIVISION XI**

### **SPECIAL COMMITTEES**

**72.** *The board of directors, to facilitate the proper functioning of the association, may form special committees and determine their functions, which they shall exercise under its direction.*

*R. S. 1964, c. 292, s. 66.*

## **DIVISION XII**

### **OFFICERS**

**73.** *The board of directors, at its first sitting after the organization meeting or the annual meeting, shall choose from among the directors a president and a vice-president.*

*Such first sitting of the board may be held without notice during the organization meeting or the annual meeting or immediately afterwards, provided there is a quorum.*

*R. S. 1964, c. 292, s. 67.*

**74.** *The president and vice-president of the board of directors shall be at the same time president and vice-president of the association.*

*R. S. 1964, c. 292, s. 68.*

**75.** *In the absence or inability to act of the president, the vice-president shall exercise his duties and powers.*

*R. S. 1964, c. 292, s. 69.*

**76.** *The board of directors shall appoint a manager, a secretary and, if it sees fit, a treasurer of the association and shall fix their remuneration.*

*Such offices may be held by members of the board of directors or of the association or by a person who is not a member thereof.*

*When the office of secretary or of treasurer is held by a director, no remuneration shall be allowed except by the general meeting.*

*R. S. 1964, c. 292, s. 70.*

**77.** *The by-laws shall determine the powers and duties of the president, vice-president, secretary, manager and treasurer.*

*R. S. 1964, c. 292, s. 71.*

***DIVISION XIII***

***BOOKS AND CONTRACTS***

**78.** *The board of directors may designate the persons authorized to sign any contract or other document on behalf of the association.*

*R. S. 1964, c. 292, s. 72.*

**79.** *Each association shall cause to be kept and preserved at its corporate seat a book in which shall be entered separately:*

*(a) the by-laws of internal management and all other by-laws;*

*(b) the minutes of the general meeting, of the board of directors and, should the case arise, of the executive committee and of the special committees;*

*(c) the name in alphabetical order, address and occupation of each member, stating the number of his common and preferred shares, the dates of subscription, repayment or transfer, the payments made on such shares and the dates of payment.*

*Members of the association may examine the by-law book and the members' register at the corporate seat of the association, on working days during ordinary office hours.*

*The information required by sub-paragraph c of the first paragraph may be kept in a card-index instead of in a book.*

*R. S. 1964, c. 292, s. 73.*

***DIVISION XIV***

***TRANSACTIONS***

**80.** *The cooperative activities of an association shall not be deemed to constitute the carrying on of trade or of a means of earning a profit.*

*R. S. 1964, c. 292, s. 74.*

**81.** *No member of an association shall obtain property or services from it for resale for profit.*

*R. S. 1964, c. 292, s. 75.*

**82.** *The fiscal year of an association shall be the calendar year, unless another period is fixed by by-law.*

*R. S. 1964, c. 292, s. 76.*

**83.** *The association shall keep the necessary books to record its transactions and, in particular,*

*(a) its receipts and their source, as well as its disbursements and the purpose for which they were made;*

*(b) its sales and purchases of merchandise, produce and services;*

*(c) its assets and liabilities.*

*R. S. 1964, c. 292, s. 77.*

**84.** *The books shall be closed at the end of the fiscal year and, within the three ensuing months, the board of directors shall prepare the annual report which shall contain, in particular,*



(a) *the names and addresses of the directors and officers and the number of the members of the association;*

(b) *the balance-sheet and the operating statement;*

(c) *the auditor's report;*

(d) *such other information as is required by the by-laws.*

*R. S. 1964, c. 292, s. 78.*

**85.** *The balance-sheet must show separately:*

(a) *cash on hand;*

(b) *deposits in a bank or a savings and credit union;*

(c) *accounts receivable and provision for bad debts;*

(d) *debts owing to the association by its directors, officers and members of the executive committee;*

(e) *the value of the merchandise and produce on hand according to the inventory;*

(f) *investments with a statement of their nature;*

(g) *lands, buildings, machinery, equipment and furniture, specifying their cost and the cumulated amortization;*

(h) *the cost of concessions, patents, trade marks, leases, contracts and licenses, if not amortized and if ascertainable in the books or in a contract of purchase or sale of a property;*

(i) *expenditures made on account of future business;*

(j) *accounts payable and other unsecured debts;*

(k) *debts secured by hypothec or otherwise;*

(l) *the amount of each class of shares subscribed for and the amount paid on such shares, showing separately the amounts repayable to members;*

(m) *the surplus resulting from the operations of the association and the variations that have occurred therein since the preceding balance-sheet, showing separately the sums set apart for reserves;*

(n) *indirect or contingent liabilities.*

*R. S. 1964, c. 292, s. 79.*

**86.** *The balance-sheet and the operating statement with the auditor's report must be approved by the board of directors. The board shall designate the two directors who shall sign the balance-sheet.*

*R. S. 1964, c. 292, s. 80.*

**87.** *Within thirty days after the annual meeting, the board of directors shall send a copy of the annual report to the Minister, to the Minister of Industry, Commerce and Tourism and, if the association is a member of a federation, to such federation.*

*R. S. 1964, c. 292, s. 81; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11; 1979, c. 77, s. 27.*

***DIVISION XV***

***ANNUAL OPERATING SURPLUS***

**88.** *At the annual meeting, the members of the association, after considering the recommendations of the board of directors and in accordance with the operating statement for the last fiscal year, shall allocate the amount of the annual operating surplus to the constitution of the general reserve and for rebates to members or to both members and patrons, in accordance with the by-laws.*

*They may allocate the entire amount to the general reserve.*

*The annual operating surplus of an association shall be allocated to the general reserve in a proportion of at least ten per cent. Nevertheless, this requirement shall cease when such reserve becomes equal to or greater than twenty-five per cent of the liabilities of the association, excluding the capital stock and such reserve.*

*R. S. 1964, c. 292, s. 82; 1970, c. 58, s. 22.*

**89.** *The general reserve of an association shall not be divided among the members.*

*R. S. 1964, c. 292, s. 83; 1968, c. 75, s. 1; 1970, c. 58, s. 23.*

**90.** *The rate of the rebates may vary with the nature, quantity, quality or value of the merchandise, produce or services dealt in.*

*R. S. 1964, c. 292, s. 84; 1979, c. 6, s. 1.*

**91.** *Instead of paying rebates, the general meeting may:*

- (a) allot common or preferred shares to members or patrons;*
- (b) require members or patrons to lend to the association the rebates allotted or credited to them.*

*In the case of paragraph a, the member or patron shall be deemed to have subscribed for the common or preferred shares allotted to him and to have agreed to pay for them out of his rebates.*

*A by-law in accordance with paragraph b shall have the same effect as a contract made by the member or patron and shall create a legal obligation on his part to lend the rebates allocated or credited to him.*

*R. S. 1964, c. 292, s. 85.*

***DIVISION XVI***

***AUDIT***

**92.** *At each annual meeting, the association shall appoint an auditor to make the audit provided for in section 95.*

*Where an association is affiliated with a federation which has established an auditing service in accordance with paragraph b of section 128, such association must have such audit made at its own expense by the service established by the federation or an auditor approved by the latter.*

*No director or member of the executive committee or officer of an association shall be appointed auditor thereof.*

*R. S. 1964, c. 292, s. 86; 1970, c. 58, s. 24.*

**93.** *If no auditor has been appointed or if that office becomes vacant, the Minister, on the application of three members of the association, may appoint an auditor and such appointment shall have the same effect as an appointment by the general meeting.*

*R. S. 1964, c. 292, s. 87; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

**94.** *The auditor shall have access at all times to the books, accounts, securities and vouchers of the association and may require of the directors, employees and members such documents and information as are necessary for the performance of his duties.*

*R. S. 1964, c. 292, s. 88; 1970, c. 58, s. 25.*

**95.** *The auditor shall make a sufficient examination to enable him to certify in his report*

*(a) if the financial statements tally with the books of account and meet the requirements of this act and the by-laws of the association;*

*(b) if the documents and information that he has required have been furnished;*

*(c) if an adequate accounting system is maintained by the association.*

*R. S. 1964, c. 292, s. 89.*

**96.** *The auditor's report shall be sent to the board of directors and shall form part of the annual report.*

*R. S. 1964, c. 292, s. 90.*

## **DIVISION XVII**

### **INSPECTION**

**97.** *On the application of such number of members of an association as it deems sufficient, the board of directors of a federation of which such association is a member may order an inspection of the affairs of the association.*

*The Minister, of his own motion or on the application of members of an association or of the Conseil de la coopération, may order, on such conditions as he shall determine, an inspection of the affairs of an association.*

*R. S. 1964, c. 292, s. 91; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

**98.** *The inspector appointed by the Minister or by the federation shall have the powers assigned to a commissioner by the Act respecting public inquiry commissions (chapter C-37).*

*He shall report to the authority that appointed him, and also to the Conseil de la coopération when the inspection was ordered on its application.*

*R. S. 1964, c. 292, s. 92; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

## **DIVISION XVIII**

### **AMALGAMATION**

**99.** *Several associations having the same or similar objects may amalgamate and make the agreements necessary for such purpose.*

*R. S. 1964, c. 292, s. 93.*

**100.** *The associations proposing to amalgamate shall prepare a deed of agreement prescribing:*

*(a) the conditions of amalgamation and the mode of effecting it;*

*(b) the name of the association resulting from the amalgamation and the names in full, occupations and residence of its first directors;*

*(c) the mode of election of subsequent directors and any other provision necessary to effect the amalgamation and to provide for the management and operation of the association resulting therefrom;*

*(d) the number of shares subscribed in each of the amalgamating associations, the amount of each of such shares and the manner of converting them into common or preferred shares of the association resulting from the amalgamation.*

*R. S. 1964, c. 292, s. 94.*

**101.** *The deed of agreement shall be submitted for approval at a general meeting of each of the associations concerned, specially called for such purpose.*

*If the deed of agreement is approved by all of the associations, such approval shall be attested therein by their respective secretaries.*

*R. S. 1964, c. 292, s. 95.*

**102.** *After such approval, the associations concerned shall apply to the Minister, by a joint petition, for confirmation of the deed of agreement.*

*If the application is granted, notice to that effect shall be published in the Gazette officielle du Québec and, from the date of such publication, the associations shall be amalgamated and shall be a single association under the name specified in the deed of agreement.*

*The new association shall be vested with the property and rights of the amalgamated associations and be subject to their obligations.*

*R. S. 1964, c. 292, s. 96; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

**103.** *The amalgamation shall not impair the rights and obligations of the amalgamated associations and proceedings commenced by or against them may be continued without proceedings in continuance of suit.*

*R. S. 1964, c. 292, s. 97.*

## **DIVISION XIX**

### **WINDING-UP**

**104.** *An association may decide to wind up its affairs by the affirmative vote of three-fourths of the members present at a general meeting called for such purpose.*

*Such meeting shall then appoint, by the majority of the members present, one or three liquidators who shall be entitled to immediate possession of the property of the association.*

*The provisions of Divisions II and III of the Winding-up Act (chapter L-4) which are not inconsistent with those of this division shall apply mutatis mutandis to the winding-up so decided upon.*

*R. S. 1964, c. 292, s. 98; 1968, c. 75, s. 2.*

**105.** *As soon as winding-up has been voted by the general meeting, every action and all proceedings by way of seizure by garnishment, seizure before judgment or seizure in execution, or otherwise, against the moveable or immoveable property of the association shall be suspended.*

*The costs incurred by a creditor after he has himself or by his attorney had knowledge of the winding-up, cannot be collocated against the proceeds of the property of the association distributed in consequence of the winding-up.*

*A judge of the Superior Court of the district in which the corporate seat of the association is located may, however, on such conditions as he deems proper, authorize the institution of a suit or the continuance of any proceeding already commenced.*

*R. S. 1964, c. 292, s. 99; 1965 (1st sess.), c. 80, a. 1.*

**106.** *The liquidator shall first pay the debts of the association and the costs of winding-up, and secondly the amounts paid on the shares according to the priorities established by by-law.*

*After such payments, the balance derived from the winding-up, including the balance of the general reserve provided for in section 88, shall devolve to an association or federation designated by the Government upon the advice of the Conseil de la coopération.*

*For the purposes of this section, the word “federation” shall include the “Société coopérative fédérée des agriculteurs de la province de Québec”.*

*R. S. 1964, c. 292, s. 100; 1968, c. 75, s. 3; 1970, c. 58, s. 26.*

**107.** *When the winding-up is terminated, the liquidator shall hand over the documents of which he took possession for the purposes of the winding-up to the federation of which the association was a member or, if the association was not affiliated with a federation, to the Conseil de la coopération.*

*R. S. 1964, c. 292, s. 101.*

## **DIVISION XX**

### **DISSOLUTION ORDER**

**108.** *The Minister may order the dissolution of an association:*

*(a) if the number of its members is reduced to less than twelve;*

*(a.1) if the organization meeting is not held within one year after publication of the notice provided for in section 8;*

*(b) if it has failed to hold an annual general meeting of its members for three consecutive years; or*

*(c) if for more than three years it has failed to file, in accordance with section 87, the annual report contemplated in section 84.*

*1970, c. 58, s. 27; 1979, c. 6, s. 2.*

**109.** *Before ordering the dissolution of an association, the Minister must give it a notice of its default and of the penalty to which it is liable. Such notice shall be sent by registered or certified letter to the last address of the association shown in the records of the Ministère des Institutions financières et Coopératives.*

*In the case contemplated in paragraph a.1 of section 108, the notice provided for in the preceding paragraph shall be sent to the last address of the provisional secretary indicated in the records of the Ministère des Institutions financières et Coopératives.*

*Such notice shall also be published in the Gazette officielle du Québec.*

1970, c. 58, s. 27; 1975, c. 76, s. 11; 1975, c. 83, s. 84; 1977, c. 5, s. 14; 1979, c. 6, s. 3; 1981, c. 9, s. 24.

**110.** *The Minister may order the dissolution of the association if, before the sixtieth day following the date on which the notice contemplated in section 109 was given to it, it has not remedied its default.*

1970, c. 58, s. 27.

**111.** *The dissolution order shall take effect from the date of its publication in the Gazette officielle du Québec.*

1970, c. 58, s. 27.

**112.** *The public curator shall be ex officio curator to the property of the dissolved association. He shall render an account to the Minister.*

1970, c. 58, s. 27.

**113.** *The balance of the assets of the dissolved association shall devolve in the manner prescribed in section 106 and the documents shall be handed over in the manner prescribed in section 107.*

1970, c. 58, s. 27.

## **DIVISION XXI**

### **FISHERMEN'S COOPERATIVE ASSOCIATIONS**

**114.** *In the case of a cooperative association composed of persons engaged in the business of fishing and having as its main purpose an object pertaining to or connected with the fishing industry,*

*(a) operations shall not be commenced until it is admitted as a member of a federation of associations of the same nature;*

*(b) the amount of a share of common stock shall be fixed at fifty dollars;*

*(c) each member must undertake by contract, for a period of at least one year, to deliver, sell, purchase or receive, through the association, certain produce or services.*

R. S. 1964, c. 292, s. 102; 1970, c. 58, s. 28.

**115.** *An association contemplated in section 114 may make loans to its members for the purposes of their fishing industry, but such loans shall be made only out of the available funds of the association not absorbed by corporate debts due, or out of funds specifically placed at its disposal by a federation for loans of such nature.*

*No such loan shall be made unless previously approved by the board of directors or the executive committee of the federation of which the association is a member.*

*Such approval shall not engage the liability of the federation.*

R. S. 1964, c. 292, s. 103.

**116.** *The board of directors of an association contemplated in section 114, if so authorized by special by-law, may pledge as security for a loan, merchandise in stock and produce received from members of the association or placed on consignment by them.*

R. S. 1964, c. 292, s. 104.

**117.** *An association contemplated in section 114, which receives from a federation advances based on the inventory of its produce or merchandise, must deliver the same to the federation.*

*Any director, manager or employee who knowingly delivers them or permits them to be delivered to another person shall be personally liable for the damage caused to the federation and also to be discharged from his office.*

*R. S. 1964, c. 292, s. 105.*

## **DIVISION XXII**

### **CONSUMERS' COOPERATIVE ASSOCIATIONS**

**118.** *In the case of a cooperative association whose principal object is the organization of services or the distribution of merchandise for the personal use of its members or patrons,*

*(a) the name of the association may contain, instead of the words "cooperative association", the expression "co-op store", but only with the written authorization of the Fédération des Magasins Co-op contemplated in chapter 179 of the statutes of 1957-1958;*

*(b) repealed.*

*R. S. 1964, c. 292, s. 106; 1968, c. 75, s. 4; 1979, c. 6, s. 4.*

**118.1.** *In the case of a cooperative association referred to in section 118, the by-laws, for the setting up of the board of directors, may*

*(a) order that the members be divided into groups, that the territory where the association operates be divided into sectors, or both at the same time; and*

*(b) allocate a certain number of directors to each group and, where that is the case, each sector, and determine how each of such directors is nominated and elected.*

*For the purposes of this section, a group may consist of a cooperative or federation of cooperatives established under an act of Québec.*

*1979, c. 6, s. 5.*

## **DIVISION XXIII**

### **COOPERATIVE HOUSING ASSOCIATIONS**

**119.** *A cooperative association whose principal object is to assist its members to acquire the ownership or use of a house or dwelling may, if it has adopted a special by-law for the purpose, receive from its members advances on account of the cost of their land and houses, give them credit or make hypothecary loans to them; the conditions of such loans and the mode of use and the disposal of such advances shall be determined in the by-law.*

*R. S. 1964, c. 292, s. 107.*

**120.** *Paragraph b of section 61 shall not apply to a member of a cooperative housing association.*

*R. S. 1964, c. 292, s. 108; 1970, c. 58, s. 29.*

***DIVISION XXIV***

***COOPERATIVE ASSOCIATIONS FOR SOCIAL OBJECTS***

***121.*** *In the case of a cooperative association formed for educational, scientific, artistic, athletic, sporting or recreational purposes,*

*(a) the by-laws may provide for the payment of an annual contribution by the members;*

*(b) no interest shall be paid on the common shares;*

*(c) the surplus earnings or operating surplus shall not be distributed to members in the form of rebates or otherwise;*

*(d) in case of dissolution, the balance of the assets, after payment of the costs and the debts of the association and repayment of the sums paid on the common or preferred shares, shall be applied to a work having a social object designated by the Minister.*

*R. S. 1964, c. 292, s. 109; 1966-67, c. 72, s. 23; 1970, c. 58, s. 30; 1975, c. 76, s. 11.*

***DIVISION XXV***

***FEDERATIONS***

***122.*** *The Minister, upon the filing of the memorandum of association provided for in section 124 and after taking the advice of the Conseil de la coopération, may authorize the formation of a federation of cooperative associations.*

*Such memorandum must be signed by at least twelve cooperative associations of the same class, but the Minister may reduce such minimum number to as few as five.*

*If there is already a federation for such class of associations, the Minister shall notify such federation of the application and shall make no decision before the expiration of thirty days after the date of the notice.*

*R. S. 1964, c. 292, s. 110; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11.*

***123.*** *Participation by an association in the formation of a federation must previously be authorized by a resolution of its board of directors ratified by the general meeting of its members, mentioning the names of the persons authorized to sign the memorandum of association.*

*R. S. 1964, c. 292, s. 111.*

***124.*** *Cooperative associations wishing to form a federation shall sign, in duplicate, a memorandum of association in conformity with form 3.*

*R. S. 1964, c. 292, s. 112.*

***125.*** *The memorandum of association shall state:*

*(a) the name of the proposed federation;*

*(b) its corporate seat;*

*(c) its objects;*

*(d) the amount of a share of common stock, if provision is made therefor;*

*(e) the names of the member associations and the number of shares subscribed for by each;*



*(f) the name in full, occupation and residence of the person appointed to act as provisional secretary of the federation, to send the copies of the memorandum to the Minister and to call the organization meeting;*

*(g) the mode of calling such meeting, which shall be held within sixty days after the publication of the notice provided for in section 127.*

*R. S. 1964, c. 292, s. 113; 1966-67, c. 72, s. 23; 1970, c. 58, s. 31; 1975, c. 76, s. 11.*

**126.** *The name of a federation must not be susceptible of confusion with that of another federation or corporation and shall in no case contain the words “syndicate”, “cooperative syndicate”, “society” or “cooperative society”.*

*R. S. 1964, c. 292, s. 114.*

**127.** *Both copies of the memorandum shall be sent to the Minister. If he approves the formation of the federation, he shall so indicate by affixing his signature to each copy.*

*Notice of the approval shall be published in the Gazette officielle du Québec at the expense of the federation.*

*After the publication of such notice, one of the copies of the memorandum shall be deposited in the archives of the Ministère des Institutions financières et Coopératives and the other shall be returned to the provisional secretary of the federation.*

*From the publication of such notice in the Gazette officielle du Québec, the federation shall be a corporation within the meaning of the Civil Code.*

*R. S. 1964, c. 292, s. 115; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11; 1977, c. 5, s. 14; 1981, c. 9, s. 24.*

**128.** *The object of a federation is to safeguard the similar interests of its members and for such purpose it may:*

*(a) exercise the powers of a cooperative association;*

*(b) establish educational, publicity, auditing and technical assistance services; the auditing service established in accordance with this paragraph must be recognized as adequate by the Minister; who shall each year, upon application, issue a certificate to that effect;*

*(c) make loans to its members and to any corporation of which it holds shares or bonds;*

*(d) assist the associations and corporations contemplated in paragraph c to obtain funds and guarantee the performance of their obligations;*

*(e) make agreements with them to supervise, control or manage their affairs for a stated period;*

*(f) cause the books and accounts of its members and of the associations indebted to it to be inspected, audited or examined;*

*(g) require from the cooperative associations contemplated in paragraph f copies of their annual statements and by-laws;*

*(h) determine the amount and the mode of payment of the contributions of its members;*

*(i) supply persons interested in forming a cooperative association with the requisite information to determine its efficiency and to facilitate its formation.*

*R. S. 1964, c. 292, s. 116; 1970, c. 58, s. 32.*

**129.** *To become a member of a federation, an association which did not sign the memorandum of association shall*

*(a) sign an application for membership authorized and ratified in accordance with section 123;*

*(b) agree to comply with the by-laws of the federation and, if the by-laws so provide, subscribe for the required number of common shares;*

*(c) if the by-laws of the federation so require, undertake by contract to make its purchases, and sales or transact its other business through the federation;*

*(d) be admitted by the board of directors of the federation.*

*R. S. 1964, c. 292, s. 117.*

**130.** *The general meeting of a federation shall be composed of the delegates of the associations that are members thereof.*

*The organization meeting, however, shall consist of the persons who signed as representatives the memorandum of association.*

*R. S. 1964, c. 292, s. 118.*

**131.** *The by-laws of the federation shall enact the rules whereby affiliated associations shall be represented at meetings and determine the basis to be used to fix the number of delegates of each association.*

*They may allot them a number of votes based on the number of their members and an additional number of votes based on their participation in the business of the federation.*

*In no case, however, shall the additional number so allotted to each association exceed the number of votes based on the number of its members.*

*R. S. 1964, c. 292, s. 119.*

**132.** *The by-laws of a federation shall determine the mode of constitution of its board of directors, the number of directors, which may exceed fifteen and be apportioned into districts or groups, the mode of their election at the annual meeting or at district or group meetings, and the quorum of the board of directors.*

*The directors of a federation shall be chosen from among the directors of the affiliated associations, unless the by-laws provide that a minority shall be chosen from among the members or officers of such associations.*

*R. S. 1964, c. 292, s. 120.*

**133.** *La Fédération des Magasins Co-op, when it shall have made a special by-law to that effect, may also admit as a member any person other than an association. Such by-law shall determine the conditions of membership, admission, eligibility, representation and participation.*

*1968, c. 75, s. 5.*

**134.** *The provisions relating to cooperative associations shall apply to federations, subject to the provisions of this division.*

*R. S. 1964, c. 292, s. 121.*

***DIVISION XXVI***

***OFFENCES AND PENALTIES***

**135.** *Every person is guilty of an offence who:*

*(a) falsely leads to the belief, by the title that he assumes or otherwise, that he is an association or a federation;*

*(b) furnishes the Minister with information which he is required to furnish to him under this act and which he knows to be inaccurate;*

*(c) hinders or attempts to hinder in any manner any person who does an act which this act obliges or authorizes him to do;*

*(d) contravenes this act.*

*1970, c. 58, s. 33.*

**136.** *When a corporation is guilty of an offence against this act, any person who prescribed or authorized the commission of the offence, or who assented thereto or acquiesced or participated therein, is deemed a party to the offence and liable to the same penalty as that provided for the corporation, whether or not such corporation has been prosecuted or convicted.*

*However, a person who has caused his dissent to be recorded in the minutes or who has given notice of it to the association or federation by registered or certified letter within a reasonable delay after he has become aware of the commission of the offence shall not be deemed a party to the offence.*

*1970, c. 58, s. 33; 1975, c. 83, s. 84.*

**137.** *Every person found guilty of an offence against this act is liable on summary proceeding to a fine of not less than \$50 nor more than \$1,000 for each offence and to a fine of not less than \$200 nor more than \$5,000 for each subsequent offence within two years.*

*Part II of the Summary Convictions Act (chapter P-15) shall apply.*

*1970, c. 58, s. 33.*

***DIVISION XXVII***

***FINAL PROVISIONS***

**138.** *Sections 9 and 125 of chapter 56 of the statutes of 1963 (1st session) shall not apply to the Québec United Fishermen, the name of which shall continue to be governed by section 1 of chapter 164 of the statutes of 1954-1955.*

*R. S. 1964, c. 292, s. 122.*

**139.** *A cooperative syndicate wishing to pursue objects permitted by section 3 or 4 may cease to be governed by Cooperative Syndicates Act (chapter S-38) and become an association governed by this act.*

*For such purpose it shall send to the Minister an application in duplicate in conformity with form 4.*

*If the Minister, after taking the advice of the Conseil de la coopération, approves such application, he shall so signify by affixing his signature to both copies.*

*Notice of such approval shall be published in the Gazette officielle du Québec at the expense of the syndicate and, from such publication, the applicant shall become a cooperative association governed by this act.*

*After the publication of such notice, one of the copies of the application shall be deposited in the archives of the Ministère des Institutions financières et Coopératives and the other shall be returned to the association.*

*R. S. 1964, c. 292, s. 123; 1966-67, c. 72, s. 23; 1975, c. 76, s. 11; 1977, c. 5, s. 14; 1981, c. 9, s. 24.*

**139.1.** *If a cooperative agricultural association governed by the Act respecting cooperative agricultural associations (chapter S-24) establishes to the satisfaction of the Minister that the portion of the sales made in the pursuit of the objects mentioned in section 2 of the said act represents less than one-third of all its sales, and it pursues purposes permitted by section 3 of this act, it may become an association governed by this act.*

*For that purpose it shall send to the Minister an application, in duplicate, in conformity with form 5; the Minister shall accept, in support of the application, and hold in trust, every necessary affidavit, whether under oath or solemn affirmation.*

*If, after consultation with the Conseil de la coopération, the Minister approves the application, he shall indicate it by signing each copy.*

*Notice that approval has been granted shall be published in the Gazette officielle du Québec at the expense of the cooperative agricultural association and, from that publication, this association becomes a cooperative association governed by this act.*

*After the publication of the notice, one copy of the application shall be filed in the records of the Ministère des Institutions financières et Coopératives and the other copy shall be returned to the association.*

*1979, c. 6, s. 6; 1981, c. 9, s. 24.*

**140.** *No change made under the preceding provisions of this Division shall impair the rights and obligations of an association, and proceedings instituted by or against it may be continued without proceedings in continuance of suit.*

*Such change shall not terminate the duties of the directors, employees or officers of an association.*

*R. S. 1964, c. 292, s. 124.*

**141.** *This Act shall operate notwithstanding the provisions of sections 2 and 7 to 15 of the Constitution Act, 1982 (Schedule B of the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom).*

*1982, c. 21, s. 1.*

*REPEAL SCHEDULE*

*In accordance with section 17 of the Act respecting the consolidation of the statutes (chapter R-3), chapter 292 of the Revised Statutes, 1964, in force on 31 December 1977, is repealed effective from the coming into force of chapter A-24 of the Revised Statutes.*

