



BILL NO. 190

Government Bill

*2nd Session, 60th General Assembly
Nova Scotia
57 Elizabeth II, 2008*

An Act to Amend Chapter 98 of the Revised Statutes, 1989, the Co-operative Associations Act

CHAPTER 50
ACTS OF 2008

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
NOVEMBER 25, 2008**

The Honourable Jamie Muir
Minister of Service Nova Scotia and Municipal Relations

*Halifax, Nova Scotia
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**An Act to Amend Chapter 98
of the Revised Statutes, 1989,
the Co-operative Associations Act**

Be it enacted by the Governor and Assembly as follows:

1 (1) Subsection 20(1) of Chapter 98 of the Revised Statutes, 1989, the *Co-operative Associations Act*, is repealed and the following subsections substituted:

(1) An association may issue one or more classes of non-voting preference shares.

(1A) The classes of preference shares referred to in subsection (1) are subject to the terms and conditions provided for in the by-laws of the association.

(1B) The holder of preference shares may dissent if the association

(a) amends its by-laws to add, change or remove the rights, privileges, restrictions or conditions attached to preference shares;

(b) amends its articles of incorporation or by-laws to add, change or remove any restrictions on the business or businesses that the association carries on;

(c) amalgamates with another association;

(d) continues under the laws of another jurisdiction; or

(e) sells, leases or exchanges all or substantially all of its property other than in the ordinary course of business.

(1C) Notwithstanding subsection (2) of Section 4, the Third Schedule of the *Companies Act* applies *mutatis mutandis* to dissent procedures for associations and preference shareholders.

(2) Subsection 20(2) of Chapter 98 is amended by striking out “except out of earnings of the association which would otherwise be available for dividends” in the second, third and fourth lines and substituting “if there are reasonable grounds to believe that

(a) the association is, or would be after the payment, unable to pay its liabilities as they become due; or

(b) the realizable value of the association’s assets after the payment would be less than the total of the par value of all its issued shares and liabilities.

(3) Subsection 20(4) of Chapter 98 is amended by adding “and in accordance with any price or formula set out in its articles, by-laws or provisions attached to the said shares or, if none so provides, at fair market value” immediately after “shares” in the last line.

2 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.
