

## CO-OPERATIVE PIG-MARKETING COMPANIES BILL.

---

### EXPLANATORY MEMORANDUM.

THE purpose of this Bill is to give co-operative pig-marketing companies the same rights in relation to the surrender and reissue of shares as are now possessed by co-operative dairy companies under Part III of the Dairy Industry Act, 1908. The general rule is that a company may not accept surrenders of its own shares.

The provisions of the Bill follow, with necessary modifications only, the corresponding provisions of the Dairy Industry Act, 1908 (including section 8 of the Dairy Industry Amendment Act, 1926).

*This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.*

*House of Representatives,  
21st December, 1933.*

*Hon. Mr. Macmillan*

## CO-OPERATIVE PIG-MARKETING COMPANIES.

### ANALYSIS.

| Title.   |  |  |
|--|--|--|
| 1. Short Title.  |  | 7. Consideration for surrender of shares.  |
| 2. Interpretation.   |  | 8. Compulsory surrender of shares.   |
| 3. Registration of co-operative pig-marketing company.         | 9. Certain sections of Companies Act not to apply to co-operative pig-marketing companies. |  |
| 4. Surrender of shares.  |  | 10. Pig-marketing companies not to describe themselves as co-operative unless actually so. |
| 5. Reissue of surrendered shares.                              |  |  |
| 6. Surrendered shares not to exceed one-fifth of total number. |  |  |

### A BILL INTITULED

AN ACT to make Provision in respect of Co-operative Pig-marketing Companies. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Co-operative Pig-marketing Companies Act, 1933. Short Title.

2. (1) In this Act, unless the context otherwise requires,— Interpretation.  
Cf. 1908, No. 37,  
s. 48

“Co-operative pig-marketing company” means a company which is incorporated under the Companies Act, 1908 (whether before or after the passing of this Act), the principal object of which is the treatment for human consumption of pigs supplied to the company by its shareholders and the marketing of the produce, and of the shares issued by which not less than sixty per centum in nominal value are held by persons engaged in supplying pigs to the company: See Reprint of  
Statutes, Vol. I,  
pp. 90, 827

“Pig” includes any portion of the carcass of a pig.

2      *Co-operative Pig-marketing Companies*

(2) For the purposes of this Act the principal object of a company means the principal business which the company for the time being carries on, notwithstanding that it may have authority to carry on any other business.

Registration of  
co-operative  
pig-marketing  
company.  
Cf. 1908, No. 37,  
s. 49

3. (1) A co-operative pig-marketing company may at any time, on application to the Registrar of Companies under the Companies Act, 1908, become registered as such under this Act. 5

(2) For every such registration there shall be paid a fee of *one* pound. 10

(3) The said Registrar shall issue to the company when so registered a certificate of registration under this Act, and such certificate shall be conclusive evidence of the validity of such registration.

(4) In the case of companies incorporated after the passing of this Act, no application for registration under this Act shall be made unless such registration is provided for by the articles of association of the company or by a special resolution of the company. 15

(5) Every application for the registration of a company under this Act shall be accompanied by a statutory declaration, made by one or more directors or officers of the company, that the company is a co-operative pig-marketing company within the meaning of this Act. 20

(6) Any registration of a company under this Act may at any time be cancelled by the Registrar if he is of opinion that the company is not or has ceased to be a co-operative pig-marketing company within the meaning of this Act, and upon such cancellation being notified to the company the company shall cease to be registered under this Act. 25 30

Surrender of  
shares.  
Cf. *ibid.*, s. 50

4. Notwithstanding anything in the Companies Act, 1908, or any rule of law to the contrary, it shall be lawful for any company registered under this Act to require or accept from any of its shareholders, in accordance with the provisions hereinafter contained, a surrender of any shares held by them in the company, and to pay for the shares so surrendered out of the assets of the company in manner hereinafter provided. 35

Reissue of  
surrendered  
shares.  
Cf. *ibid.*, s. 51

5. Any shares so surrendered may be reissued by the company to any person in the same manner as if they had not been previously issued. 40

6. (1) The number of shares so surrendered to the company and not reissued shall not at any time exceed one-fifth of the total number of shares issued by the company exclusive of the said shares so surrendered and  
5 not reissued.

Surrendered shares not to exceed one-fifth of total number.  
*Cf.* 1908, No. 37 s. 52

(2) Any director of the company who accepts, authorizes, or consents to the surrender of any share in breach of the provisions of this section commits an offence, and is liable to a fine not exceeding *fifty* pounds in respect  
10 of each share so unlawfully surrendered.

7. The surrender of any share may be accepted by the company, in pursuance of the foregoing provisions, from any shareholder who agrees to surrender the same, and in such case there shall be payable to such share-  
15 holder out of the assets of the company such amount as is agreed upon between the company and such shareholder by way of consideration for such surrender.

Consideration for surrender of shares.  
*Cf.* *ibid.*, s. 53

8. (1) Any company registered under this Act may at any time (subject to any restrictions or conditions  
20 imposed by its articles of association) require any shareholder to surrender to the company the shares held by him, or so many of them as the company thinks fit, in consideration of the payment by the company out of its assets of the amount paid up or deemed to be paid  
25 up on the shares so surrendered, together with interest on such amount at the rate of five per centum per annum, calculated from the end of the previous financial year of the company to the date of the surrender.

Compulsory surrender of shares.  
*Cf.* *ibid.*, s. 54

(2) No demand for the surrender of any share shall  
30 be made under the authority of this section except in pursuance of a resolution of the shareholders of the company.

(3) On the expiration of one month after a written notice of any such resolution has been received by the  
35 said shareholder, the shares so to be surrendered by him shall be deemed to have been duly surrendered, and may thereafter be reissued by the company to any other person.

9. Sections thirty-five, seventy, seventy-one, seventy-  
40 two, and seventy-three of the Companies Act, 1908, shall not apply to a co-operative pig-marketing company which is registered under this Act or the articles of association of which provide for its registration under this Act.

Certain sections of Companies Act not to apply to co-operative pig-marketing companies.  
*Cf.* *ibid.*, s. 55  
See Reprint of Statutes, Vol. I, pp. 838, 849-851

Pig-marketing companies not to describe themselves as co-operative unless actually so.

*Cf.* 1926, No. 35, s. 8, see Reprint of Statutes, Vol. I, p. 100  
See *ibid.*, Vol. I, p. 90

10. (1) No company which has for its object or one of its objects the treatment for human consumption of pigs and the marketing of the produce shall be registered under the Companies Act, 1908, under any name which includes the word "co-operative", or any word of like significance, unless it is entitled to be registered as a co-operative pig-marketing company under this Act or as a co-operative dairy company under Part III of the Dairy Industry Act, 1908. 5

(2) At any time after the *first* day of *April*, nineteen hundred and *thirty-four*, the Registrar of Companies may by notice call upon any such company as aforesaid heretofore registered under the Companies Act, 1908, under a name signifying that it is co-operative in character, but which is not entitled to be registered under this Act or under Part III of the Dairy Industry Act, 1908, or upon any company so named the registration of which under this Act or the said Part III has at any time been cancelled, to take steps to change its name so as to remove therefrom the signification that it is a co-operative company, and the company shall not later than one month from the date of the notice from the Registrar take the appropriate steps under the Companies Act, 1908, to effect the change of its name. 10 15 20

(3) After the *first* day of *April*, nineteen hundred and *thirty-four*, it shall be the duty of every company which is registered under this Act or under Part III of the Dairy Industry Act, 1908, or which is entitled to be so registered, and of every company to which the *last preceding* subsection applies, at all times until it has changed its name as required by that subsection, to furnish to every person (not being a shareholder of the company) engaged in supplying pigs to the company a copy of every account, report, or balance-sheet which by virtue of its articles or otherwise it is required to furnish to its shareholders, in the manner and within the times prescribed in respect of shareholders. 25 30 35

(4) If any company fails to comply with subsection *two* hereof or fails for thirty days to comply with the provisions of the *last preceding* subsection, the chairman and every director thereof shall be severally liable to a fine of *ten* pounds. 40