



6. UFA has implemented a revised equity structure (the "Revised Equity Plan") that provides for the distribution of Patronage Dividends, declared by UFA and retained as Patronage Loans, to Members as follows:

(a) 15% to Ordinary Shares subject to a maximum Ordinary Share holding of 200 Ordinary Shares per Member;

(b) 25% of the balance (after deduction of Ordinary Share allocation) in cash and applicable withholding tax; and

(c) the remainder to non-interest bearing "Revolving Equity" which are Patronage Loans repaid to members in redeemable Class "A" Preferred Shares in equal installments over a twelve year period.

7. Class "A" Preferred Shares are issued automatically as payment of Revolving Equity to members in Manitoba. No Class "A" Preferred Shares are issued for cash in Manitoba.

8. As a transitional measure, UFA also issued commencing January 1, 2003, an additional class of Class "B" Preferred Shares instead of Class "A" Preferred Shares only to those Members (or principals of corporate and partnership members) of UFA who turned or will turn 65 on or before June 30, 2004. On June 30, 2004, all Class "B" Preferred Shares will, by their terms, be automatically exchanged for redeemable Class "A" Preferred Shares.

9. At January 1, 2003 pre-existing Ordinary Share balances continued to be held as Ordinary Shares and pre-existing Patronage Loans were converted into Revolving Equity.

10. The Revised Equity Plan was approved by the board of directors of UFA and by UFA delegates at the Annual Meeting of UFA held on March 13, 2002.

11. In connection with the reorganization of UFA's equity structure, delegates were provided with a copy of UFA's Revised and Restated Bylaws, the new Share Provisions and the Member Equity Plan. UFA intends to provide to all Members a booklet describing its revised Member Equity Plan. In addition, members will continue to receive a copy of UFA's annual report, financial statements and management discussion and analysis.

12. UFA has approximately 225,841 Members, of which approximately 193,960 (85.9%) are resident in Alberta, 4,549 (2.0%) are resident in British Columbia, 140 (0.1%) are resident in Manitoba, 4,729 (2.1%) are resident in Saskatchewan and 22,463 (9.9%) are resident elsewhere.

13. UFA is not and has never been a reporting issuer in Manitoba or any province in Canada and is not subject to any reporting issuer obligations.

14. UFA is not an exchange issuer.

15. UFA's securities are not listed or traded on an exchange or quotation system.

(C) IN THE OPINION OF THE COMMISSION it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

**1. THAT** pursuant to subsection 20(1) of the Act the intended trades by UFA in Securities to Members resident in Manitoba in accordance with the provisions of the provisions of *The United Farmers of Alberta Co-operative Limited Act, 1966* as amended and the UFA's Revised and Restated Bylaws are exempt from the requirements of sections 6 and 37 of the Act, provided that:

(a) *The United Farmers of Alberta Co-operative Limited Act, 1966* as amended, continues to apply to the UFA;

(b) The UFA provide to all Members in Manitoba a booklet describing the Revised Equity Plan; and

(c) The UFA continue to provide Members in Manitoba with a copy of UFA's annual report, financial statements, and management discussion and analysis.

**2. THAT** pursuant to subsection 20(1) of the Act, any trade in Securities acquired under this order to another Member made in accordance with the provisions of *The United Farmers of Alberta Co-operative Limited Act, 1966* as amended and the UFA's Revised and Restated Bylaws is exempt from section 6 of the Act.

**3. THAT** the fee for this application is \$1,000.00.

Deputy Director - Legal