



MATURE ACTION COMMUNITY SOCIETY

Summary of changes to MAC constitution and bylaws for 2017 AGM

The Societies Act came into effect November 28, 2016 and governs how societies (not-for-profit corporations) are created and run in B.C. The Act includes significant updates to allow for more flexibility in how societies operate, while still protecting the public interest. The transition to the new Societies Act applies to all non-profit societies incorporated in British Columbia under the Society Act and all societies must comply by November 28, 2018.

Unless they are contrary to new bylaws in the Societies Act, the previous MAC bylaws have been incorporated into the new ones.

Changes specific to MAC:

Application for Membership

- 2.1** A person 55 years of age or older, may apply to the Board for membership in the Society and on acceptance of the application by the Board shall become a member. *(previous age was 50; the change was made to comply with age restrictions of Whistler Housing Authority for seniors qualifying for restricted housing)*

Quorum for general meetings

- 3.7** The quorum for the transaction of business at a general meeting is 3 voting members or 10% of the voting members, whichever is greater. *(previous quorum was 20% which is occasionally a difficult number to attract to an annual general meeting)*

Number of directors on Board

- 4.1** The Society must have no fewer than 3 and no more than 9 directors. *(previous number was 10 – it is preferable to have an uneven number)*

Borrowing

- 8.1** The Society's ability to borrow money is prohibited. *(this was previously permitted by special resolution of members)*

Operations

- 8.5** (1) The Society shall be operated without profit such that any profits or other accretions to the Society shall be used in the pursuit of its purposes. This provision was previously unalterable. *(To comply with granting agencies' requirements, provisions contained in the constitution that were previously unalterable will now be alterable. This was Purpose #3 in the MAC Constitution.)*

Part 11 – Liquidation, Dissolution and Restoration

Dissolution

- 11.1** In the event of dissolution, all assets, after payment of liabilities, will be spent on aesthetic improvement to public

facilities within the Resort Municipality of Whistler, at the discretion of the Directors. This provision was previously unalterable. *(To comply with granting agencies' requirements, provisions contained in the constitution that were previously unalterable will now be alterable. This was Purpose #3 in the MAC Constitution.)*

SUMMARY OF GENERAL CHANGES TO THE SOCIETIES ACT AND MATURE ACTION COMMUNITY SOCIETY BYLAWS

Constitution:

- The constitution will consist of the name and purposes only. (Sections 1 and 2 of new constitution.)
- To comply with granting agencies' requirements, provisions contained in the constitution that were previously unalterable will now be alterable. (Sections 3 and 4 of old constitution are replaced with new bylaws 8.5 and 11.1)

Annual general meetings

- Under the new Act, in an effort to modernize society governance, the procedures for holding AGMs will become more flexible. For example: The minimum threshold for passing a special resolution will be decreased from three-quarters to two-thirds (Note: societies may have to amend their bylaws to take advantage of this amendment).

Directors

- Directors will be required to explicitly consent to act as a director, either at an AGM or in writing. They will not be entitled to any remuneration for acting as director unless the society's bylaws provide for director remuneration.
- The board of directors must meet the following requirements:
 - There must be at least three directors and at least one of them must reside in BC (not applicable to member-funded societies which are discussed below);
 - A majority of the directors must not be employed at the society, either as employees or contractors (not applicable to member-funded societies); and
 - The directors (and senior managers, if any) must not be bankrupt, must not be recently convicted of fraud, and must (subject to some exceptions) be at least 18 years of age.

Financial disclosure requirements

- In an effort to promote accountability and transparency, publicly-funded societies will be required to disclose in their annual financial statements (which must be made available to the public upon request) remuneration levels of their top ten employees and contractors (if they make more than CA\$75,000), and any director compensation, regardless of the amount.

Office and Records:

- Each society must identify an official office and have all records (digital or hard copy) available at that address. There must be a computer where information can be accessed.

Directors' Conflicts of Interest

- Directors must disclose fully and promptly to the other directors the nature and extent of the director's interest and abstain from voting on a directors' resolution and must leave the directors' meeting when the contract, transaction or matter is discussed

Directors' Liability

- Directors are liable when they have consented to a resolution authorizing a distribution of money contrary to the Act or the bylaws. Liability for money or other property distributed.

Limitations on liability

- A director of the Society is not liable under the Act and has complied with his or her duties under the Act] if the director, reasonably and in good faith, relied on financial statements of the Society or a written report of the auditor, lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by that person

What are the positive aspects of the new Act?

There are many positive aspects, many of which provide greater flexibility for societies. The new Act:

- Provides for electronic filings;
- Clarifies the limitations on distributions of the money or other property of societies;
- Clarifies directors' liability issues;
- Clarifies record keeping and access to corporate records;
- Provides default rules for the internal governance of societies;
- Allows the alteration of previously unalterable provisions in the constitution of a society;
- Sets out clear qualifications for directors and senior managers;
- Allows indemnification of directors and senior managers without court approval;
- Allows directors' resolutions to be passed without a meeting;
- Allows voting members to pass a unanimous resolution instead of holding an AGM;
- Allows special resolutions of voting members by a 2/3 vote instead of a 3/4 vote;
- Provides for court remedies in cases of unfair treatment of members, contraventions of the Act or regulations or defects in the conduct of societies' activities or internal affairs;
- Allows restoration of societies without court approval; and
- Provides different rules regarding corporate governance, financial disclosure and distribution of money or other property on dissolution by societies that are not charities and do not receive public funding greater than an amount provided for in the regulations.