

Changes in the *Societies Act* of BC came into effect 4 May 2023

New Disclosure and Record-keeping Requirements

1. Requirement to maintain a register of directors and a register of members.

The amendments have clarified the scope of these registers. Going forward, the register of directors must include the dates that each director starts and ceases to hold office. The register of members must only include the name and contact information of each member and, if applicable, their class of membership; no other information is permitted.

The amendments have also increased reporting requirements for employee and contractor remuneration. Societies must report all remuneration over \$75,000.

If the society dissolves voluntarily, it must now appoint a record keeper, responsible for maintaining the records, without damage or loss, for a period of three years following the dissolution. Records must be kept or electronically accessible at a location in BC.

2. Changes affecting general meetings and member proposals

At general meetings, members are no longer allowed to vote by proxy unless the bylaws provide for this option.

If the society has 100 or more members, it is deemed to have provided notice of a general meeting by emailing all members *and* publishing in a newspaper or on the society's website, if permitted by the bylaws. Minutes must be kept for general meetings but must not be kept for other gatherings of members.

The *Act* provides that directors' terms automatically end at the AGM following their appointments or election, unless the bylaws provide otherwise. Should you wish to have directors hold office for a term different than the default, be sure this is stated in the bylaws.

Directors are no longer permitted to vote by proxy at directors' meetings, i.e. they must be present to vote. If the directors wish to pass a resolution without a meeting, they must send a copy of the resolution to all directors in advance. All directors must consent to pass the resolution without a meeting, unless the bylaws specify that consent from a lesser number of directors is sufficient. If directors wish to pass resolutions without a meeting or unanimous consent, the bylaws may need to be amended to reflect this.

The amendments have also changed the requirements surrounding conflict of interest. A director or senior manager who has a direct or indirect material interest in a contract, transaction, or other matter has certain disclosure requirements and must abstain from voting. The *Act* now specifies that this includes any interest that is known or reasonably ought to have been known. If a director or senior manager reasonably ought to know of a conflict, they must notify the other directors and comply with the requirements as provided for under section 56 of the *Act*. Previously, a conflicted director or senior manager was required to leave

the directors' meeting if the directors would be discussing or voting on the matter of their conflict. They may now be permitted to remain if asked to do so by another director, or, if required in the bylaws, by more than one other director.

3. Changes specific to member-funded societies (a society that is funded primarily by its members to carry on activities for the benefit of its members)

(info omitted - does not apply to FDLI Society)

Quick checklist

- For a resolution to be passed without a directors' meeting or unanimous consent of the directors, the bylaws must specify the number of directors required to consent without a meeting.
- If directors are to hold their positions for a period of time other than until the first AGM after becoming a director, the bylaws must provide for this.
- If more than one director must request a conflicted director or senior manager to stay in a meeting regarding the subject matter of their conflict, the number of directors required must be specified in the bylaws.
- If members are to be allowed to vote by proxy at general meetings, the bylaws must provide for this.

The information provided does not, and is not intended to, constitute legal advice; the information is intended for general informational purposes only.