



Bylaw Amendment Use of Virtual Meetings

Introduction:

With the advances of technology and the current global pandemic, organizations are looking for alternatives to engage in the democratic process to maintain contact with members and stakeholders while meeting the requirements of reporting for the Non Profit Corporations Act.

The following is a summary of recent conversations with legal counsel from McDougall Gauley to provide guidance on this subject:

Q. Can the SRA hold the AGM on a virtual basis?

Answer: Virtual Meetings

The Non-Profit Corporations Act, 1995 (Saskatchewan) allows for virtual director and shareholder meetings. However, those are only permitted if a corporation's bylaws also allow for virtual meetings.

The SRA bylaws allow virtual meetings for directors. (See Article 14.4.3). As such, you could hold a regular director meeting by videoconference. You can amend your bylaws to provide greater clarity for your members.

With regards to a shareholder/member meeting, you would need to amend the bylaws to allow for virtual meetings as those are not currently permitted (Article 14.2.3). The process to amend the bylaws is summarized as follows:

- The Board of Directors of the Association may at a meeting at which the majority of Board members are present, by majority vote, pass a resolution to amend the bylaws.
- The amendment is binding until it is presented to the members for approval at the next annual general meeting. The members must by majority vote approve the amendment.
- If the members do not approve the amendment then it becomes ineffective and is no longer valid. The Board cannot re-institute a bylaw

that has substantially the same purpose once it has been rejected by the membership.

Therefore the board of directors could hold a meeting to amend the bylaws to temporarily or otherwise allow virtual meetings for both the board and shareholders, including for AGM purposes.

Q How would we amend the bylaws? Do you have suggested wording for these changes that would provide the SRA with maximum flexibility for future meetings?

Answer:

If you would like to preserve the flexibility to hold virtual meetings in non-pandemic times, flexibility should be built in to the bylaws. Please note that the availability of each of these methods is still contingent on the approval of the Board of Directors (as there will be a minimum quorum for holding these meetings)

New Article 14.2.3(a) – Virtual Meetings

Notwithstanding anything to the contrary in these bylaws, an **annual general meeting** of the members may, in the discretion of the Board of Directors, be held by means of a teleconference communication system or a video conference communication system, or any other similar electronic communication facility, that permits all members participating in such meeting to hear each other during the meeting. An individual member, who, through such communication system attends a meeting, shall be deemed to be personally present at that meeting for the purposes of Article 14.2.3.

New Article 14.4.3 – Virtual Board of Directors Meetings

Notwithstanding anything to the contrary in these bylaws, meetings of the Board of Directors may, if all the Directors consent, be held by means of a teleconference communication system or a videoconference communication system, or any other similar electronic communication facility that permits all Directors participating in such meeting to hear each other during the meeting. Participation in a meeting by such communication system shall constitute presence for the purposes of Article 14.4.6.

Q. If we choose not to amend the SRA bylaws what else can we do?

Answer:

If you do not wish to amend the bylaws, then you have some ability to delay holding your meeting. The following information is set out in the annual return notice from Saskatchewan Corporate Registry:

Delay Filing

Covid 19 Impacts:

We understand that the Government of Saskatchewan's recent measures intended to prevent the spread of the COVID-19 virus may have prevented the completion of activities required in order to file your annual return. In response, the Corporate Registry has suspended strike off procedures **until further notice**.

This means organizations that do not file annual returns on time will not be struck from the Registry. You will be required to file your annual when the suspension has been lifted. If you have already completed necessary requirements for filing, you can complete your annual return.

Therefore, if you are unable to hold your meeting and complete your filings, you will not be struck from the Corporate Registry. This should be monitored closely however to ensure when the suspension is lifted, the filings are completed as soon as possible. As well, the suspension could be lifted at any time, and without notice.

For that reason, if amending the bylaws and holding a virtual meeting is an option, you may wish to consider that route. For updates on the suspension please visit www.isc.ca/suspension.

We have not seen or heard of any direction from the Corporate Registry (ISC) that we need to notify them if an AGM is delayed.