

AMM BRIEFING NOTE #11

Special resolution regarding the timing of the 2025 AMM – for decision

Action Required

The members are asked to consider making two decisions.

1. Supporting the continued application of the 2019 five-year exemption granted to the Royal College by Corporations Canada permitting the Royal College to hold its AMM in February of each year.
2. Supporting a Royal College application to Corporations Canada to obtain a new five-year exemption. This application will be necessary for the Royal College to continue holding its AMM in February 2026 and beyond.

Issue

According to the Canada Not-for-Profit Corporations Act, with a financial year end of March 31, the AMM of the Royal College must take place by September 30 of each financial year; however, the Royal College traditionally holds its AMM in February.

In 2019, the Royal College applied for and was granted a renewed five-year exemption from Corporations Canada to hold its AMM in February. The exemption stipulates, among other terms, that the continued application of the exemption requires two-thirds support of the members at each AMM held during the five-year span of the exemption.

Background

The Royal College's AMM is held in February so that the Council of the Royal College can explain to members the membership fees for the coming financial year, based on a thoroughly conceived budget proposal. The right of members to vote on membership fees at the time of the AMM is a longstanding feature of the Royal College's Bylaw but is not a legal requirement.

The Royal College has had an exemption regarding the timing of its AMM from Corporations Canada since 2013. The first exemption granted in 2013 was for one year. This was followed by a five-year exemption granted in 2014 and another five-year exemption granted in 2019, each exemption application was supported by the members to permit the Royal College to carry forward with the business practise of holding the Royal College AMM in February (more than six months after the financial year end).

The exemption specifies that the Royal College must satisfy the following terms for each year of the exemption:

- provide notice of the exemption to the members by September 30;
- provide a copy or summary of the audited financial statements of the Royal College for the last financial year ended to the members by September 30;

- provide unaudited financial information up to the most recent quarter to the members at the AMM held in February, and
- seek support from the members for a special resolution at the February AMM for the continued application of this exemption with regards to the next financial year end.

The exemption letter from Corporations Canada dated June 17, 2019, sets out the expectation that the Royal College would apply in 2024 for a continuation of the exemption based on member approval.

Current Status

On September 29, 2023, the Royal College provided notice to the members of the exemption and provided a summary of the audited financial statements of the Royal College for the year ended March 31, 2023.

By providing the exemption notice and financial information on September 29, 2023, the Royal College satisfied the rights of members to receive the corporation's financial statements before the AMM, and in a manner consistent with the terms of the exemption granted to the Royal College by Corporations Canada.

The 2024 AMM agenda addresses the remaining terms of the exemption and includes presentation of the:

- unaudited financial information of the Royal College for the period ended December 31, 2023, and
- a request for a special resolution authorizing the continued application of the exemption granted to the Royal College by Corporations Canada pursuant to subsection 160(2) of the Act.

Next steps

If two-thirds of the members in attendance at the AMM vote in favour of the continued application of the exemption, the Royal College will proceed in satisfying the terms of the exemption for the next and final year of the current exemption.

Moreover, based on member approval, in the year ahead, the Royal College will apply to Corporations Canada for another exemption similar to the one granted in 2019 to allow the Royal College to continue holding its AMM in February 2026 and beyond.