

AMM BRIEFING NOTE #12

Special resolution regarding the timing of the 2023 AMM – for decision

Action Required

A special resolution is needed from the members to support the continued application of an exemption granted to the Royal College by Corporations Canada pursuant to subsection 160(2) of the Canada Not-for-profit Corporations Act (the “Act”) that permits the Royal College to hold its AMM in February of each year.

Issue

According to the 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 sought and was granted authorization from Corporations Canada for a one-year exemption in 2013. In 2014, a further five-year exemption was granted to carry forward with the business practise of holding the Royal College AMM in February (more than six months after the financial year end). When the 2014 exemption expired at the February 2019 AMM, the members passed a special resolution at that time authorizing the Royal College to apply for a continuation of the same exemption.

Corporations Canada granted the Royal College a renewed five-year exemption on June 17, 2019, and specified 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.

Current Status

On September 27, 2021, 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, 2021.

By providing the exemption notice and financial information on September 27, 2021, 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 2022 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, 2021, 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 ensuing financial year.