

# SOCIETY ACT

## CHAPTER 390

Part	Section
1 Incorporation	2 - 19
2 Changes in Constitution and Bylaws	20 - 23
3 Directors	24 - 31
4 Financial	32 - 40
5 Audit	41 - 55
6 Members, Meetings	56 - 70
7 Termination of Existence	71 - 74
8 Extraprovincial Societies	75 - 83
9 Special Procedures	84 - 86
10 General	87 - 94

### Interpretation

#### 1. In this Act

- “auditor” includes a partnership of auditors;
- “business” means an activity that produces taxable income under the *Income Tax Act*;
- “bylaws” means the bylaws of a society;
- “commission” means the Corporate and Financial Services Commission established under the *Securities Act*;
- “constitution” means the constitution established for a society under this or the former Act; and, in applying the word to a society that was subject to the original Act, it means the declaration for incorporation of that society, or other similar document;
- “court” means the Supreme Court;
- “debenture” has the same meaning as in the *Company Act*;
- “debt obligation” means a bond, debenture, note or other similar obligation, whether secured or unsecured, of a society;
- “director” includes trustee, officer, member of an executive committee and a person occupying any such position by whatever name called;
- “document” means a written instrument, including a notice, order, certificate, register, letter, report, return, account, summons or legal process;
- “existing society” means a society to which the former Act applied and which was in existence on January 5, 1978;
- “extraprovincial society” means a society or association, incorporated or otherwise, formed outside the Province, and includes a branch of that society or association, but does not include a society or association, incorporated or otherwise, formed to acquire profit or gain or that has a capital divided into shares;
- “former Act” means the *Societies Act*, S.B.C. 1947, c. 82, the *Societies Act*, R.S.B.C. 1948, c. 311, or the *Societies Act*, R.S.B.C. 1960, c. 362;
- “member” means
  - (a) an applicant for incorporation of a society who has not ceased to be a member; and
  - (b) every other person who becomes and remains a member in accordance with the bylaws;
- “mortgage” includes a secured debt obligation;
- “ordinary resolution” means

- (a) a resolution passed in general meeting by the members of a society by a simple majority of the votes cast in person or, where proxies are allowed, by proxy;
- (b) a resolution that has been submitted to the members of a society and consented to in writing by 75% of the members who would have been entitled to vote on it in person or by proxy at a general meeting of the society; and a resolution so consented to shall be deemed to be an ordinary resolution passed at a general meeting of the society; or
- (c) where a society has adopted a system of indirect or delegate voting or voting by mail, a resolution passed by a simple majority of votes cast in respect of the resolution;

“original Act” means the *Societies Act*, S.B.C. 1920, c. 83, the *Societies Act*, R.S.B.C. 1924, c. 236, or the *Societies Act*, R.S.B.C. 1936, c. 265;

“registrar” means the Registrar of Companies;

“reporting society” means a society

- (a) that is by its bylaws or by an ordinary resolution filed with the registrar declared to be a reporting society;
- (b) that is required to be licensed or is licensed under the *Insurance Act*;
- (c) that requires a consent under section 2 (1) (a), (b), (c) or (d) or section 20 as a condition precedent to incorporation or changing its constitution;
- (d) that is ordered to be a reporting society pursuant to section 38;
- (e) that is a holding corporation for the purposes of the *Company Act*; or
- (f) that became an amalgamated society after January 4, 1978 if one of the amalgamating societies was, at the time of the amalgamation, a reporting society,

unless the registrar pursuant to the regulations orders that it is not a reporting society;

“society” means a society incorporated under this Act, and includes an existing society;

“special resolution” means

- (a) a resolution passed in general meeting by a majority of not less than 75% of the votes of those members of a society who, being entitled to do so, vote in person or, where proxies are allowed, by proxy
  - (i) of which the notice that the bylaws provide and not being less than 14 days’ notice specifying the intention to propose the resolution as a special resolution has been given; or
  - (ii) if every member entitled to attend and vote at the meeting so agrees, at a meeting of which less than 14 days’ notice has been given;
- (b) a resolution consented to in writing by every member of a society who would have been entitled to vote on it in person or, where proxies are allowed, by proxy at a general meeting of the society; and a resolution so consented to shall be deemed to be a special resolution passed at a general meeting of the society;
- (c) where a society has adopted a system of indirect or delegate voting or voting by mail, a resolution passed at least 75% of the votes cast in respect of the resolution; or
- (d) an extraordinary resolution passed before January 5, 1978;

“subscription” includes fee, due, assessment or other similar sum payable by a member under the bylaws;

“subsidiary” has the same meaning as in the *Company Act*.

1977-80-1; 1978-15-5.

## PART 1

### Purposes

2. (1) A society may be incorporated under this Act for any lawful purpose or purposes such as national, patriotic, religious, philanthropic, charitable, provident, scientific, fraternal, benevolent, artistic, educational, social, professional, agricultural, sporting or other useful purposes, but not for

- (a) the operation of a boarding home, orphanage or other institution for minors, or the supplying of any other form of care for minors without the written consent of the Superintendent of Child Welfare;
- (b) the ownership, management or operation of a hospital without the written consent of the Minister of Health;
- (c) the ownership, management or operation of a social club without the written consent of the minister;
- (d) the purpose of paying benefits or rendering services as described in section 14 without the written consent of the Superintendent of Insurance;
- (e) any purpose without the consent of an existing society should the registrar require it; or
- (f) the purpose of carrying on a business, trade, industry or profession for profit or gain.

(2) Carrying on a business, trade, industry or profession as an incident to the purposes of a society is not prohibited by this section, but a society shall not distribute any gain, profit or dividend or otherwise dispose of its assets without receiving full and valuable consideration, to a member or members of the society, except during winding up or on dissolution and then only as permitted by section 73.

1977-80-2.

### Procedure for incorporation

3. (1) Five or more persons may apply for incorporation of a society by sending to the registrar

- (a) 2 copies of the constitution and bylaws of the proposed society according to Form 1, 2 or 3 of Schedule A, signed by each of them;
- (b) a list of persons who will be the first directors of the society, in Form 4 of Schedule A, stating their full names and resident addresses;
- (c) a notice of the address of the proposed society in Form 5 of Schedule A; and
- (d) the prescribed fees.

(2) The documents to be sent by the applicants to the registrar pursuant to subsection (1) may be accompanied by a letter in Form 6 of Schedule A.

(3) If the purposes of the proposed society do not appear to the registrar to be authorized by this Act or to be sufficiently set forth, he may require, as a prerequisite to incorporation, that they be altered accordingly.

## (4) Where

- (a) no consent is required by law as a condition precedent to incorporation or the use of a name, or the consent has been obtained;
  - (b) the constitution and bylaws of the proposed society appear to the registrar to comply with this Act;
  - (c) the name of the proposed society is not one the registrar, for good and valid reason, rejects; and
  - (d) a prerequisite under subsection (3) has been fulfilled,
- the registrar shall incorporate the society by issuing under his seal of office a certificate showing that the society is incorporated.

## (5) On incorporation of a society, the registrar shall

- (a) retain and register one copy of the constitution and bylaws and return the other copy to the applicants, certified as having been registered by him; and
  - (b) publish notice of the incorporation in the Gazette.
- (6) A certificate of incorporation given by the registrar for a society is conclusive proof that the requirements of this Act in respect of incorporation have been complied with and that the society is incorporated under this Act.

1977-80-3.

**Effect of incorporation**

4. (1) From the date of the certificate of incorporation the members of the society are members of a corporation

- (a) with the name contained in the certificate;
- (b) having perpetual succession;
- (c) with the right to a seal; and
- (d) with the powers and capacity of a natural person of full capacity as may be required to pursue its purposes.

(2) The powers referred to in subsection (1) include but are not limited to the powers to

- (a) buy, sell, exchange, develop and mortgage property;
- (b) borrow money and give security for it and secure or purchase money obligations;
- (c) issue negotiable instruments;
- (d) receive and make gifts;
- (e) enter contracts and leases;
- (f) employ persons; and
- (g) belong to other societies or associations, whether or not incorporated, with similar purposes or purposes beneficial to the society.

(3) A society may sue and be sued, contract and be contracted with, in its corporate name.

(4) A certificate issued by the president, secretary or a director of a society stating that the intended exercise by the society of a power described in the certificate is in pursuance of a purpose of the society stated or summarized in the certificate is, as between the person to whom the certificate was issued and any other person, including the society, and past, present and future members or creditors of the society, conclusive proof of the truth of the matters set forth in the certificate if the person to whom the certificate is issued acts on it in good faith and within a reasonable time.

1977-80-4.

**Liability of members**

**5.** A member of a society is not, in his individual capacity, liable for a debt or liability of the society.

1977-80-5

**Bylaw items**

**6.** (1) The bylaws of a society incorporated under this Act shall contain provisions in respect of

- (a) admission of members, their rights and obligations and when they cease to be in good standing;
- (b) conditions under which membership ceases and the manner, if any, in which a member may be expelled;
- (c) procedure for calling general meetings;
- (d) rights of voting at general meetings, whether proxy voting is allowed, and if so, provisions for it;
- (e) appointment and removal of directors and officers and their duties, powers and remuneration, if any;
- (f) exercise of borrowing powers; and
- (g) preparation and custody of minutes of meetings of the society and directors.

(2) Subject to subsection (1) the bylaws of a society may be in the form of Schedule B or a modified form or another form altogether.

1977-80-6

**Voting**

**7.** (1) A voting member of a society has only one vote.

(2) A society may have non-voting members but their number shall not exceed the number of voting members.

(3) The registrar may by order and on the terms and conditions he considers appropriate

- (a) allow a society or class of societies to adopt a system of delegate or indirect voting or voting by mail as described in the order; or
- (b) exempt a society or class of societies from the limitation on the number of non-voting members in subsection (2),

and an order made under this subsection may be made retroactive to March 27, 1961 or any date after that.

(4) Subject to the bylaws, a person under the age of 19 years

- (a) may be admitted as a member of a society;
- (b) may be appointed to an office in the society; and
- (c) is liable for the payment of a subscription as if he were of full age.

(5) Subject to the bylaws, a corporation admitted to membership in a society may be represented by a person authorized on behalf of the corporation.

1977-80-7

**No share capital**

**8.** A society shall not have a capital divided into shares.

1977-80-8

**Interest not transferable**

**9.** Except as provided in the bylaws, the interest of a member in a society is not transferable.

1977-80-9

**Address for service**

**10.** A society shall have an address in the Province to which all communications and notices may be sent and at which all process may be served, and shall file with the registrar notice of every change of address to be made in Form 5 of Schedule A and a change has effect on the day after the notice is filed.

1977-80-10

**Location of records**

**11.** (1) The directors of a society shall ensure that all documents of a society including its financial records are kept at the address of the society.

(2) Notwithstanding subsection (1), the directors of a society may by resolution permit some of the documents, including its financial records, to be kept at places in the Province other than the address of the society.

(3) A resolution passed pursuant to subsection (2) shall describe the documents to which it applies and the place they are to be kept and the resolution has no effect until a copy of it is filed with the registrar.

1977-80-11

**Service of documents**

**12.** A document may be served on a society by

- (a) leaving it at or mailing it by registered mail to the address of the society as filed under this Act; or
- (b) personally serving a director, officer, receiver manager or liquidator of the society, or, in the case of an extraprovincial society, the attorney.

1977-80-12

**Seal**

**13.** (1) Where a society adopts a seal, the seal shall bear the name of the society.

(2) A society may adopt a new seal at any time.

(3) The seal of a society may be reproduced by a rubber stamp, an impression seal or other convenient means.

1977-80-13

**Insurance purposes**

**14.** (1) A society may not, unless the purpose is included in its constitution, provide for the payment of benefits, pensions or annuities or the rendering of services to its members or others, including their beneficiaries and dependants, in the event of death, accident, sickness, disability or misfortune, and shall not

- (a) provide for benefits or compensation for loss of or damage to property; or
- (b) unless the society is

- (i) licensed under the *Insurance Act*; or
- (ii) a society within section 286 (2) (d) of the *Insurance Act*,

provide for the payment of more than \$400 in the event of death.

(2) A society shall not have a purpose within the scope of subsection (1) without the written consent of the Superintendent of Insurance, and he shall not consent unless he is satisfied that

- (a) the applicants for incorporation and directors are residents of the Province and fit to establish and operate the society; and
  - (b) the proposed society's bylaws are fair and its plan is reasonable.
- (3) A society that
- (a) has a purpose referred to in subsection (1); and
  - (b) is not licensed under the *Insurance Act*

shall on request of the Superintendent of Insurance promptly furnish him with the information he requires with regard to its operations.

1977-80-14

### Degrees and diplomas

**15.** A society shall not grant or confer a degree or diploma of academic, literary, technical or scientific standing.

1977-80-15

### Contracts

**16.** (1) Contracts on behalf of a society may be made as follows:

- (a) a contract that, if made between natural persons, would be by law required to be in writing and under seal, may be made on behalf of the society in writing under the seal of the society, and may in the same manner be varied or discharged;
- (b) a contract that, if made between natural persons, would be by law required to be in writing, signed by the person to be charged, may be made on behalf of the society in writing signed by a person acting under its authority, express or implied, and may in the same manner be varied or discharged;
- (c) a contract that, if made between natural persons, would by law be valid although made orally and not reduced into writing, may be made in a similar manner on behalf of the society by a person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) A contract made, varied or discharged according to this section is, so far as concerns its form, effectual in law and binding on the society and all other parties to it.

(3) A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of a society, if made, accepted or endorsed in the name of, or by or on behalf of or on account of the society by a person acting under its authority, express or implied.

1977-80-16

### Amalgamation of societies

**17.** (1) Two or more societies, other than societies to which section 293 of the *Insurance Act* applies, may apply to amalgamate and form a new society by sending the

registrar copies, in duplicate, of the special resolutions which authorize their respective directors

(a) to sign jointly a constitution and bylaws in Form 1, 2 or 3 of Schedule A; and

(b) to comply in other respects with section 3.

(2) Provisions of this Act that apply to the incorporation of a society apply to the amalgamation of 2 or more societies as if the amalgamation were the incorporation of the amalgamated society.

(3) After the issue of a certificate of incorporation to the new society, the former societies are dissolved, and all property and rights of those societies pass to and vest in the new society without further act or deed.

(4) No amalgamation under this section adversely affects the rights of a creditor of a former society, and the new society is liable for all debts and obligations of the former societies.

(5) On production of the required evidence, the estate and interest of the former societies in land registered under the *Land Title Act* shall be registered in the name of the new society, but the new society is exempt from payment of fees computed according to the value of that estate or interest.

1977-80-17.

### Branch societies

**18.** (1) A society may, if authorized by its bylaws, establish and maintain one or more branch societies with the powers, not exceeding the powers of the society, that the society confers.

(2) Where a society establishes a branch society, it shall without delay send the registrar a notice setting forth

(a) the date the branch society was established;

(b) the branch's name, locality and powers; and

(c) the other information the registrar requires.

(3) Subsection (1) does not apply to a society whose purposes include operating a social club.

(4) Without the consent in writing of the registrar, a branch society shall not use a name other than the name of the society which established the branch society together with

(a) a word or words describing the geographical location of the branch society or other distinguishing words; and

(b) the word "Branch".

(5) Where a branch society ceases to exist, the society that established it shall without delay send the registrar a notice setting forth

(a) the name and locality of the branch;

(b) the date the branch ceased to exist; and

(c) the other information the registrar requires.

1977-80-18.

### Incorporation of branch societies

**19.** (1) Where a branch of a society or extraprovincial society desires to be incorporated under this Act, it shall, in addition to any other requirement of this Act,

file with the registrar a certificate under the seal, if any, of that society consenting to the incorporation, and shall comply with any term or condition mentioned in the certificate.

(2) A branch society so incorporated shall not exercise a power conferred on a society under this Act, without first obtaining the written consent of that society, if the exercise of that power is prohibited by or in conflict with

- (a) the constitution or bylaws of the society to which it belongs; or
- (b) a term or condition of the certificate filed under subsection (1).

(3) If the certificate filed under subsection (1) so provides, the constitution and bylaws of the branch society shall be deemed to include

- (a) the constitution and bylaws of the society giving the certificate; or
  - (b) the portion of the constitution and bylaws mentioned in the certificate,
- but the powers of a branch society shall never exceed the powers permitted to a society by this Act.

1977-80-19.

## PART 2

### Changes in constitution

**20.** (1) A society, by special resolution, may change

- (a) its name; or
- (b) its purposes so as to include a new purpose that may conveniently or advantageously be combined with the existing purposes of the society, or so as to restrict or abandon a purpose specified in the constitution, but a charitable purpose referred to in section 73 (3) shall not be abandoned.

(2) A resolution pursuant to subsection (1) does not take effect

- (a) unless the registrar approves; and
- (b) where the new purpose or an existing purpose is one referred to in section 2 (1) (a), (b), (c), (d) or (e), unless the consent of the person named in that paragraph is obtained.

(3) Where subsection (2) is complied with, the registrar shall issue a certificate under his seal of office setting forth particulars of the change.

(4) Where a society is in default in respect of a requirement of this Act, the registrar may refuse to issue a certificate under this section.

(5) A certificate issued by the registrar under this section is conclusive proof that this section has been complied with.

(6) A society incorporated under the original Act has power, subject to subsection (2), to change or rescind, by special resolution, any other provision of its declaration.

1977-80-20.

### Effect of change of name

**21.** A change of name of a society does not

- (a) affect any right or obligation of the society; or
- (b) render defective legal proceedings by or against the society,

and a legal proceeding that might have been continued or commenced against it under its former name may be continued or commenced against it under its new name.

1977-80-21.

### Additional provisions of constitution

**22.** (1) Where the constitution of a society contains a provision other than the

statement of its name and purposes, the constitution shall state whether or not the provision may be altered and the provision shall be alterable or not as is stated in the constitution.

(2) Where it is not stated that a provision is unalterable, it is alterable.

(3) A provision that is alterable may be altered by a special resolution.

(4) A society may by special resolution add to its constitution a provision, other than the statement of its name and purposes, and this section applies to that provision.

1977-80-22.

### **Change in bylaws**

**23.** (1) A society may change its bylaws by special resolution and the resolution is effective on the date of its acceptance by the registrar as being in compliance with this Act or, where the resolution is accepted by the registrar and a later date is specified in the resolution, on that later date.

(2) On accepting a special resolution under subsection (1), the registrar shall retain one copy of it and return the other copy to the society, certified as having been accepted by him.

(3) The registrar shall not accept a special resolution under subsection (1) that is passed by a society referred to in

(a) section 2 (1) (b), without the written consent of the Minister of Health; or

(b) section 2 (1) (d), without the written consent of the Superintendent of Insurance.

1977-80-23.

## **PART 3**

### **Directors**

**24.** (1) The members of a society may in accordance with the bylaws nominate, elect or appoint directors.

(2) Subject to this Act and the constitution and bylaws of the society, the directors

(a) shall manage or supervise the management of the affairs of the society; and

(b) may exercise all of the powers of the society.

(3) No limitation or restriction on the powers or functions of the directors is effective against a person who does not know of the limitation or restriction.

(4) A society shall have at least 3 directors.

(5) At least one of the directors of a society must be ordinarily resident in the Province.

(6) The first directors are those named in the list of first directors filed with the registrar.

(7) Notice of a change in directors of a society, including an extraprovincial society, shall be given without delay in Form 7 of Schedule A to the registrar.

(8) Where a society has less than 3 members for more than 6 months, each director is personally liable for payment of every debt of the society incurred after the expiration of the 6 months and for so long as the number of members continues to be less than 3.

1977-80-24.

**Duties of directors**

**25.** (1) A director of a society shall

- (a) act honestly and in good faith and in the best interests of the society; and
- (b) exercise the care, diligence and skill of a reasonably prudent person, in exercising his powers and performing his functions as a director.

(2) The requirements of this section are in addition to, and not in derogation of, an enactment or rule of law or equity relating to the duties or liabilities of directors of a society.

1977-80-25.

**No exceptions from statutory duties**

**26.** Nothing in a contract, the constitution or the bylaws, or the circumstances of his appointment, relieves a director

- (a) from the duty to act in accordance with this Act and the regulations; or
- (b) from a liability that by virtue of a rule of law would otherwise attach to him in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the society.

1977-80-26.

**Disclosure of interests**

**27.** A director of a society who is, directly or indirectly, interested in a proposed contract or transaction with the society shall disclose fully and promptly the nature and extent of his interest to each other director.

1977-80-27.

**Accountability**

**28.** (1) A director referred to in section 27 shall account to the society for profit made as a consequence of the society entering or performing the proposed contract or transaction,

- (a) unless
  - (i) he discloses his interest as required by section 27;
  - (ii) after his disclosure the proposed contract or transaction is approved by the directors; and
  - (iii) he abstains from voting on the approval of the proposed contract or transaction; or
- (b) unless
  - (i) the contract or transaction was reasonable and fair to the society at the time it was entered into; and
  - (ii) after full disclosure of the nature and extent of his interest in the contract or transaction it is approved by special resolution.

(2) Unless the bylaws otherwise provide, a director referred to in section 27 shall not be counted in the quorum at a meeting of the directors at which the proposed contract or transaction is approved.

1977-80-28.

**Validity of contracts**

**29.** The fact that a director is, in any way, directly or indirectly, interested in a proposed contract or transaction, or a contract or transaction, with the society does not

make the contract or transaction void, but, if the matters referred to in section 28 (1) (a) or (b) have not occurred, the court may, on the application of the society or an interested person,

- (a) prohibit the society from entering the proposed contract or transaction;
- (b) set aside the contract or transaction; or
- (c) make any order that it considers appropriate.

1977-80-29.

### **Security and indemnity of officers and directors**

**30.** (1) A society may require a director or officer to give the security it considers sufficient for the faithful discharge of his duties.

(2) A society may, with the approval of the court, indemnify a director or former director of the society or a director or former director of a subsidiary of the society, and his heirs and personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him, in a civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director, including an action brought by the society or subsidiary, if

- (a) he acted honestly and in good faith with a view to the best interests of the society or subsidiary of which he is or was a director; and
- (b) in the case of a criminal or administrative action or proceeding he had reasonable grounds for believing his conduct was lawful.

(3) The court may, on application of a society, a director or former director of the society, or a director or former director of a subsidiary of the society, make an order approving an indemnity under this section, and the court may make any further order it considers appropriate.

(4) On an application under subsection (3), the court may order notice to be given to any interested person.

(5) A society may purchase and maintain insurance for the benefit of a director against personal liability incurred by him as a director and sections 27, 28 and 29 do not apply in respect of the purchase or maintenance of that insurance.

1977-80-30.

### **Removal of directors**

**31.** A director may be removed from office by special resolution and another director may be elected, or by ordinary resolution appointed, to serve during the balance of the term.

1977-80-31.

## **PART 4**

### **Investment of society's funds**

**32.** (1) The funds and property of a society shall be used and dealt with only for its purposes in accordance with its bylaws.

(2) A society that has and exercises powers within the scope of section 14 shall invest its funds only in securities in which trustees are authorized by law to invest.

(3) A society to which subsection (2) does not apply may invest its funds in

securities authorized by its constitution or bylaws; but if that investment is not authorized, the society shall invest its funds only in securities in which trustees are authorized by law to invest.

1977-80-32.

### **Deposit accounts**

**33.** A society shall maintain at least one account with a chartered bank, credit union or trust company for the deposit of funds.

1977-80-33.

### **Subsidiaries**

**34.** (1) A society shall not acquire, cause to be incorporated or dispose of its control of a subsidiary without the sanction of a special resolution.

(2) Where a society acquires or causes to be incorporated a subsidiary, the society shall promptly file with the registrar a notice in Form 8 of Schedule A stating

- (a) the name of the subsidiary;
- (b) the jurisdiction of incorporation; and
- (c) the date on which control was acquired or the subsidiary was caused to be incorporated

and the registrar may require further particulars to be filed.

(3) When a society ceases to have control of a subsidiary, the society shall promptly file with the registrar a notice in Form 9 of Schedule A stating the name of the former subsidiary and the date the society ceased to have control of the subsidiary.

(4) A society that has control of a subsidiary on January 5, 1978 shall be deemed, for the purposes of subsection (2), to have acquired it on that day.

1977-80-34.

### **Borrowing**

**35.** (1) The provisions of sections 75 to 123 of the *Company Act* relating to borrowings, including the provisions concerning

- (a) registration of mortgages;
- (b) keeping registers of indebtedness, debentures and debenture holders; and
- (c) debentures, trustees under trust indentures and receivers and receiver managers

apply to societies.

(2) Membership in a society shall not be taken into consideration in determining whether a material conflict of interest exists in a trustee's fiduciary role as trustee.

(3) A society shall not issue a debenture unless the issuance of the debenture is authorized by a special resolution, which may confer a general power on the directors to issue debentures for a period not exceeding one year from the date the resolution is passed.

1977-80-35.

### **Accounting records**

**36.** A society shall keep proper accounting records in respect of all its financial and other transactions and, without limiting the foregoing, shall keep records of

- (a) all money received and disbursed by the society and the matter in respect of which the receipt and disbursement took place;

- (b) every asset and liability of the society; and
- (c) every other transaction affecting the financial position of the society.

1977-80-36.

### **Inspection by members**

**37.** Unless otherwise provided in the bylaws, the documents, including accounting records, of a society shall be open to the inspection of a director or member on reasonable notice to the society.

1977-80-37.

### **Reporting society**

- 38.** (1) The registrar, having regard to
- (a) the number of members of a society;
  - (b) the nature of its assets and liabilities;
  - (c) the manner in which it is pursuing its purposes; or
  - (d) any special circumstance, including the receipt by it of government funding,

may order, on the conditions he considers appropriate and subject to the regulations, that the society is or is not a reporting society.

(2) The registrar may vary or rescind an order made under subsection (1) if there is a change in circumstance.

(3) The registrar may order that a society give notice of meetings and furnish financial statements to its members by publication in a newspaper or by other means at the times he determines instead of giving notice of meetings and furnishing financial statements by mail.

1977-80-38; 1978-15-5.

### **Furnishing financial statements**

**39.** (1) A reporting society shall, at least 10 days before the date of its annual general meeting, mail to the auditor and to each member at his latest address as shown on the register of members a copy of the financial statement referred to in section 65 and the report of the auditor.

(2) A reporting society shall, on demand by the holder of a debenture of the society, furnish him with a copy of its latest financial statement and a copy of the report of the auditor.

(3) A society that is not a reporting society shall, on demand by a member or the holder of a debenture of the society, furnish the member or the holder with a copy of its latest financial statement.

(4) Where a society is obliged to send or furnish a copy of its financial statement under this section and that society has a subsidiary during the period of the financial statement, it shall also send or furnish a copy of the subsidiary's financial statement and report of the auditor for the fiscal period ended within the period of the financial statement of the society and the report of the auditor, if any, on the financial statement of the subsidiary.

1977-80-39.

### **Approval by directors**

- 40.** (1) A society shall not issue, publish or circulate a financial statement of the

society other than to a director, employee or officer unless it is first approved by the directors and the approval is evidenced by the signatures of 2 directors.

(2) A financial statement of a society issued, published or circulated by the society other than to a director, employee or officer

(a) shall have attached to it every auditor's report made in respect of it; and

(b) shall not, unless it has been audited and an auditor's report has been made on it, purport to be an audited financial statement.

(3) A society that issues, publishes or circulates a financial statement that does not comply with this section commits an offence.

1977-80-40.

## PART 5

### Auditor

**41.** (1) A reporting society shall, and a society that is not a reporting society may, have an auditor.

(2) The directors of a reporting society may appoint the first auditor of the society to hold office until the close of the first annual general meeting.

(3) A reporting society shall at each annual general meeting, appoint an auditor to hold office until the close of the next annual general meeting, and if at that meeting an appointment is not made, the auditor in office continues as auditor until a successor is appointed.

(4) The directors may fill a vacancy in the office of auditor created by resignation, death or otherwise.

(5) Where an auditor is not appointed for a reporting society, the court may, on the application of a member, debenture holder or creditor of the society, appoint an auditor to hold office until the close of the next annual general meeting and fix the remuneration to be paid by the society for his services.

(6) The society shall promptly give notice in writing to an auditor of his appointment.

1977-80-41.

### Professional qualifications

**42.** The auditor of a reporting society shall be a person who is

(a) a member, or a partnership whose partners are members, in good standing of The Canadian Institute of Chartered Accountants or the Certified General Accountants' Association of British Columbia; or

(b) certified by the Auditor Certification Board established under the *Company Act*.

1977-80-42.

### Persons not qualified as auditors

**43.** (1) A person shall not be the auditor of a reporting society if he is not independent of the society and of its directors and officers.

(2) For the purposes of this section, independence is a question of fact, but

(a) a person is not independent if he is a director, officer or employee of the society or of a subsidiary of it, or if he is a partner, employer or employee of that director, officer or employee or if he is a member of the immediate family of that director or officer;

- (b) a person is not independent if he, a member of his immediate family, his partner or a member of the immediate family of his partner beneficially owns or controls, directly or indirectly, an interest in a debt obligation of the society or a share or debt obligation of a subsidiary of the society;
  - (c) membership in a society shall not be taken into consideration in determining whether an auditor is independent; and
  - (d) a person is not independent if he is appointed a trustee of the estate of the society under the *Bankruptcy Act* (Canada) or if he is a partner, employer, employee or member of the immediate family of that trustee.
- (3) For the purposes of this section,
- (a) the immediate family of the person referred to means the spouse, parent, child or other relative of that person or relative of the spouse of that person who resides in the same home as that person; and
  - (b) a partner of the person referred to means a person with whom he carries on in partnership the profession of accounting.
- (4) An auditor, on becoming aware that his appointment as auditor contravenes this section, shall
- (a) eliminate the circumstances that cause the contravention; or
  - (b) resign as auditor.
- (5) Notwithstanding subsection (4), where a person is, on January 5, 1978, the auditor of a reporting society and is disqualified under subsection (1), or is not qualified under section 42, he may continue to act as auditor until the close of the next annual general meeting of the society, but he shall disclose in his report the circumstances which, but for this subsection, would have disqualified him to act as auditor.
- (6) Where an auditor contravenes this section, an interested party may apply to the court for an order that the auditor be removed on the conditions the court considers appropriate.

1977-80-43.

### Remuneration

**44.** The remuneration of the auditor of a society shall be fixed by ordinary resolution or, if the society so resolves, by the directors; but the remuneration of an auditor appointed before the first annual general meeting or to fill a casual vacancy may be fixed by the directors.

1977-80-44.

### Incumbent auditor

**45.** A resolution shall not be passed at an annual general meeting of a reporting society appointing an auditor other than the incumbent auditor, unless

- (a) the incumbent auditor declines reappointment; or
- (b) 14 days' notice in writing of the resolution has been given to all persons entitled to receive notice of meetings.

1977-80-45.

### Removal of auditor

**46.** (1) A society may, by ordinary resolution passed at a general meeting called for the purpose, remove an auditor before the expiration of his term of office, and shall by ordinary resolution at that meeting appoint another auditor in his place for the remainder of his term.

(2) A society shall, before calling a general meeting for the purpose specified in subsection (1), and not less than 14 days before the mailing of the notice of the meeting, give the auditor

- (a) written notice of the intention to call the meeting, specifying the date on which the notice of the meeting is proposed to be mailed; and
- (b) a copy of all material proposed to be sent to members in connection with the meeting.

(3) An auditor may make to the society, not less than 3 days before the mailing of the notice of the meeting, representations in writing respecting his proposed removal as auditor, and the society, at its expense, shall forward with the notice of the meeting a copy of those representations to each member entitled to receive the notice.

1977-80-46.

#### **Annual audit**

**47.** (1) The auditor of a society shall make the examination that will enable him to report to the members as required under subsection (2).

(2) The auditor shall

- (a) make a report to the members on the financial statement, other than the part of it that relates to the period referred to in section 65 (2) (b), that is to be placed before the society at an annual general meeting during his term of office; and
- (b) state in his report whether, in his opinion, the financial statement presents fairly the financial position of the society and the results of its operations for the period under review and in the case of a financial statement other than the first, does so on a basis consistent with that of the preceding period.

(3) Where the opinion contained in the report of the auditor under subsection (2) is qualified, the auditor shall state the reasons in his report.

1977-80-47.

#### **Member may require auditor at meeting**

**48.** (1) A member of a society may by notice in writing to the society given not less than 5 days before a meeting at which

- (a) the financial statement of the society is to be considered; or
- (b) the auditor is to be appointed or removed,

require the attendance of the auditor at the meeting at the expense of the society and, in that event, the auditor shall attend the meeting.

(2) A member may give notice under subsection (1) whether or not he is entitled to vote at a meeting of the society.

1977-80-48.

#### **Inquiries of auditor**

**49.** At a general meeting the auditor, if present, shall answer inquiries directed to him concerning his report.

1977-80-49.

#### **Reading report**

**50.** At the request of a member attending an annual general meeting, the report of the auditor shall be read to the meeting.

1977-80-50.

**Amendment of financial statements and report**

- 51.** (1) Where facts come to the attention of the officers or directors of a society
- (a) that could reasonably have been determined prior to the date of the last annual general meeting; and
  - (b) that, if known prior to the date of the last annual general meeting, would have required a material adjustment to the financial statement presented to the meeting,

the officers or directors shall communicate those facts to the auditor who reported to the members, and the directors shall amend the financial statement without delay and send it to the auditor.

- (2) Where facts described in subsection (1) come to the attention of the auditor,
- (a) he shall, if in his opinion it is necessary, amend his report in respect of the financial statement presented to the last annual general meeting so that it complies with this Act; and
  - (b) the directors shall mail to the members a copy of the amended report and a statement explaining the effect of the amendment on the financial position and results of the operations of the society.

1977-80-51.

**Access to records**

- 52.** The auditor of a society
- (a) has a right of access at all times to all documents and other property of the society and its subsidiaries; and
  - (b) may require from the directors, officers, members and employees of the society and subsidiaries the information and explanations that, in his opinion, are necessary to enable him to report as required by this Act.

1977-80-52.

**Powers of auditor**

**53.** (1) For the purposes of an audit under this Act, the auditor of a reporting society may, by notice in writing, require the production to him of all documents, securities and cash of the society in the custody of the person to whom the notice is directed and on whom it is served.

- (2) In the notice served under subsection (1), the auditor shall set out
- (a) the hour and day, being not less than 7 days after the day on which the notice is served, when production is to be made; and
  - (b) the place where production is to be made, which shall be either
    - (i) where the documents, securities and cash are usually kept; or
    - (ii) where the documents, securities and cash are required by law to be kept.

(3) A person who refuses or neglects to comply with a notice served under subsection (1) without a reasonable excuse commits an offence.

1977-80-53.

**Right to attend**

**54.** (1) The auditor of a society is entitled to attend a general meeting of the society and to receive every notice and other communication relating to the meeting that a member is entitled to receive.

(2) The auditor of a society is entitled to be heard at a general meeting that he attends on any part of the business of the meeting that concerns him as auditor or that concerns the financial statement of the society.

1977-80-54.

### **Defamation**

**55.** An oral or written statement or report made under this Act by the auditor or former auditor of a society has qualified privilege for the purpose of defamation proceedings.

1977-80-55.

## **PART 6**

### **Annual general meeting**

**56.** (1) The first annual general meeting of the members of a society shall be held not more than 15 months after the date of incorporation, and after that an annual general meeting of the society shall be held at least once in every calendar year and not more than 15 months after the adjournment of the previous annual meeting.

(2) Notwithstanding subsection (1), the registrar may at any time extend the time within which a society is required to hold an annual general meeting.

1977-80-56.

### **Place of meeting**

**57.** A general meeting of a society shall be held in the Province or at a place outside the Province that the registrar approves on application made to him by the society.

1977-80-57.

### **Requisition for general meeting**

**58.** (1) The directors of a society, on the requisition of 10% or more of the voting members of the society, in this section called the requisitionists, shall convene a general meeting of the society without delay.

(2) The requisition shall

(a) state the purpose of the general meeting;

(b) be signed by the requisitionists; and

(c) be delivered or sent by registered mail to the address of the society, and may consist of several documents in similar form each signed by one or more requisitionists.

(3) If, within 21 days after the date of the delivery of the requisition, the directors do not convene a general meeting, the requisitionists, or a majority of them, may themselves convene a general meeting to be held within 4 months after the date of the delivery of the requisition.

(4) A general meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as general meetings are convened by the directors.

(5) In the case of a reporting society, unless the members otherwise resolve at a general meeting called by the requisitionists,

(a) the society shall reimburse the requisitionists for the expenses actually and reasonably incurred by them in requisitioning, calling and holding the meeting; and

- (b) each director, who was in default in not calling the meeting as he was required to do under subsection (1), shall pay the society his pro rata share of the amount paid by the society to reimburse the requisitionists under paragraph (a)

(6) For the purposes of this section, a member who has the right to vote, whether at a general meeting or in a system of delegate or indirect voting or voting by mail allowed under this Act, is a voting member

1977-80-58

### **Court may call**

**59.** Where a society fails to hold a general meeting in accordance with this Act, the regulations or its bylaws, the court may, on the application of a member of the society, call or direct the calling of that general meeting of the society

1977-80-59

### **Notice**

**60.** A society shall give not less than 14 days' written notice of a general meeting of the society to its members entitled to receive notice of a general meeting, but those members may waive or reduce the period of notice for a particular meeting by unanimous consent in writing

1977 80 60

### **Quorum**

**61.** The quorum for the transaction of business at a general meeting of a society is 3 persons, unless the bylaws provide for a greater number

1977 80 61

### **Voting**

**62.** A member is not entitled to vote on a resolution unless he is a voting member in good standing in accordance with the bylaws

1977 80 62

### **Proxies**

**63.** A permanent proxy or proxy entitling a person or member to vote at other than one meeting and any adjournment is void

1977 80-63

### **Financial statements, general**

**64.** (1) The directors of a society that is not a reporting society shall place before each annual general meeting of the society

- (a) the financial statement required by this section,
- (b) the report of the auditor, if any,
- (c) the report of the directors to the members, and
- (d) the further information respecting the society that the bylaws require or the regulations prescribe

(2) The financial statement shall be for the period commencing

- (a) on the date of incorporation, or

- (b) if the society has completed a financial year, at the end of the last completed financial year and ending not more than 6 months before the annual general meeting.
- (3) The financial statement shall consist of
  - (a) a statement of receipts and disbursements for the period; or
  - (b) a statement of income and expenditure and a statement of surplus for the period, and a balance sheet as of the end of the period,but the statements need not be identified by those names.

1977-80-64

**Financial statements, reporting societies**

- 65.** (1) The directors of a reporting society shall place before each annual general meeting of the society
- (a) the financial statements required by this section;
  - (b) the report of the auditor;
  - (c) where the society has a subsidiary, a copy of the financial statement of the subsidiary for a fiscal period ending within the period of the financial statement of the society and a copy of the auditor's report on the financial statement of the subsidiary;
  - (d) the report of the directors to the members; and
  - (e) the further information respecting the society that the bylaws require or the regulations prescribe.
- (2) The financial statements shall be comparative statements relating to
- (a) the period commencing
    - (i) on the date of incorporation; or
    - (ii) if the society has completed a financial year, at the end of the last completed financial year, and ending not more than 6 months before the annual general meeting; and
  - (b) the period, if any, that was the financial year immediately before that last completed financial year.
- (3) Notwithstanding subsection (2), the financial statement may relate only to the period ending not more than 6 months before the annual general meeting if the reason for the omission of the statement in respect of the period covered by the previous financial statement is set out in the financial statement to be placed before the meeting.
- (4) The financial statements shall consist of
- (a) a statement of income and expenditure for each period;
  - (b) a statement of surplus for each period;
  - (c) a statement of source and application of funds for each period; and
  - (d) a balance sheet as of the end of each period,
- but the statements need not be identified by those names.
- (5) Notwithstanding subsection (4) (c), a statement of source and application of funds may be omitted if the reason for the omission is set out in the financial statement.

1977-80-65

**Special resolutions**

- 66.** (1) A society shall send a copy of a special resolution to the registrar, in duplicate, in Form 10 of Schedule A.

(2) If the registrar considers that a special resolution complies with this Act, he shall accept one copy for filing and return the other copy, certified as being a copy of the one accepted by him.

(3) If the registrar considers that a special resolution does not comply with this Act, he shall return a copy with a brief statement of his reasons for refusing to accept it.

(4) A special resolution other than one changing the number of directors or removing a director does not take effect until a copy is accepted by the registrar.

1977-80-66

#### **Other resolutions**

**67.** Where a copy of an ordinary resolution or a director's resolution is required by this Act to be filed, section 66 applies.

1977-80-67

#### **Filing annual statement and report**

**68.** (1) A society shall within 30 days after each annual general meeting file with the registrar a copy of the financial statements placed before the meeting.

(2) A society shall file with the financial statements an annual report in Form 11 of Schedule A.

1977-80-68

#### **Copies of constitution and bylaws**

**69.** A society shall furnish to a member, at his request, free of charge or, if so resolved by the directors, on payment of a sum not exceeding \$1, a copy of its constitution and bylaws.

1977-80-69

#### **Register of members**

**70.** (1) A society shall keep a register of its members.

(2) A society shall enter in the register the names of the applicants for incorporation and the name of every other person admitted as a member of the society, together with the following particulars of each:

- (a) the full name and resident address;
- (b) the date on which a person is admitted as a member;
- (c) the date on which a person ceases to be a member;
- (d) the class of membership, if provision is made for classes.

(3) A society that fails to comply with this section commits an offence.

1977-80-70

## **PART 7**

#### **Dissolution and restoration**

**71.** (1) Subject to subsection (2) and except as otherwise provided in this Act, Part 9 of the *Company Act* applies to societies and extraprovincial societies.

(2) A society that has as a purpose one of those mentioned in section 2 (1) shall not be restored to the register without the written consent required under that section.

1977-80-71

**Society with insurance purposes**

**72.** Prepaid membership dues of a member of a society having a purpose not prohibited by section 14, paid in advance in respect of a period extending beyond the date of the order appointing a liquidator, shall be

(a) treated as a debt of the society; and

(b) paid *pari passu* with the other unpreferred claims,

and no benefits are payable to those members for an accident, illness or other cause arising after the date of the order.

1977-80-72.

**Disposal of assets**

**73.** (1) On the winding up and dissolution of a society with a charitable purpose, the assets shall not be distributed among the members, and unless the constitution, bylaws or a resolution of the members provides for the payment, transfer and delivery of the assets remaining, after all debts have been paid or provision for payment has been made, to a charitable institution or to trustees on trust for a charitable purpose, the assets remaining shall be paid, transferred or delivered to the Minister of Finance.

(2) On the winding up and dissolution of a society without a charitable purpose, unless the constitution, bylaws or resolution of the members provides otherwise, after all debts have been paid or provision for payment has been made, the assets remaining shall be paid, transferred or delivered to the Minister of Finance.

(3) In this section, a society having any of the following purposes has a charitable purpose:

(a) the relief of poverty;

(b) the advancement of education;

(c) the advancement of religion;

(d) any other purpose beneficial to the community.

(4) Where a society is wound up, the assets remaining, after all debts have been paid or provision for payment has been made, shall be paid, transferred or delivered to the persons entitled to receive those assets.

1977-80-73.

**Conversion to company**

**74.** (1) A society may, with the consent of the registrar and in accordance with the regulations, be converted to a company under section 269 (1) to (3) of the *Company Act*, and for that purpose section 269 (1) to (3) of the *Company Act* applies to the society as if it were a corporation incorporated by an Act.

(2) This section does not apply to a society with a charitable purpose referred to in section 73 (3).

1977-80-74.

**PART 8****Extraprovincial society registration**

**75.** (1) An extraprovincial society may apply for registration under this Act.

(2) The registrar may require an extraprovincial society that carries on operations in the Province but that is not required to be licensed under the *Insurance Act* to apply

for registration under this Act, and a society so required to apply shall, unless registration is granted, cease to operate in the Province, and the registrar shall fix the date after which it shall cease to operate.

(3) An extraprovincial society whose objects include that of carrying on a social club shall not be registered without the written consent of the minister, and every branch of that society shall, if the registrar so requires, apply for separate registration and consent.

(4) An extraprovincial society shall not be registered by a name which the registrar, for good and valid reason, disapproves.

1977-80-75.

### Procedure

**76.** (1) An application for registration of an extraprovincial society shall be made to the registrar according to a form prescribed by him and shall be accompanied by the documents he requires.

(2) Where an extraprovincial society that obtains registration under this Act has a purpose within the scope of section 14, the provisions of this Act that are applicable to a Provincial society having any such purpose are applicable to the extraprovincial society.

(3) Where the registrar determines that this Act has been complied with, he may issue a certificate showing that the society is registered under this Act as an extraprovincial society, and stating the place of formation or incorporation, and publish notice of the registration in the Gazette.

(4) The registrar may attach to a certificate of registration the conditions and limitations that seem to him advisable; and the extraprovincial society shall comply with and observe those conditions and limitations.

(5) The limitations, prohibitions and conditions applicable to incorporation of societies under section 2 apply to the registration of an extraprovincial society, unless the registrar otherwise orders.

(6) The registrar may after investigation refuse registration of an extraprovincial society.

1977-80-76.

### Attorney for service

**77.** (1) The registrar shall require an extraprovincial society to appoint, within a time specified by him, a person resident in the Province as its attorney authorized and directed on its behalf to accept service of process in all proceedings by or against the society in the Province and to receive all lawful notices to the society.

(2) The society shall, within one week after the appointment, file a copy of the appointment with the registrar.

(3) Where the person appointed attorney ceases to act, the society shall, within one week after he ceases to act, appoint a new attorney; and shall, within one week after the appointment, file a copy of the appointment with the registrar.

(4) The name and address of the attorney shall be stated in the copy of an appointment of attorney filed under this section.

1977-80-77.

**Return to registrar**

**78.** An extraprovincial society registered under the Act shall file with the registrar

- (a) a verified copy of an amendment to its constitution and bylaws or corresponding instrument within one month after the amendment takes effect;
- (b) the notice of address as required by section 10; and
- (c) financial statements and annual report as required by section 68, with the changes the circumstances require.

1977-80-78.

**Suspension and revocation of registration**

**79.** The commission may

- (a) for good cause suspend or revoke the registration under this Act of an extraprovincial society; and
  - (b) remove or cancel a suspension or revocation,
- subject to any condition that the commission considers advisable.

1977-80-79.

**Agents prohibited**

**80.** A person shall not act as agent of an extraprovincial society that is required by the registrar to apply for registration under this Act unless the society holds a subsisting certificate of registration under this Act.

1977-80-80.

**Disabilities of unregistered society**

**81.** An extraprovincial society not registered as required by this Act is not capable of

- (a) maintaining a proceeding in a court in the Province in respect of a contract made in whole or part in the Province in the course of or in connection with its operation; or
- (b) acquiring or holding land or an interest in land in the Province or registering title to land under the *Land Title Act*.

1977-80-81; 1978-25-332.

**Application**

**82.** This Act applies to the operations of an extraprovincial society registered under this Act.

1977-80-82.

**Cancellation of registration**

**83.** (1) Where an extraprovincial society files with the registrar a notice that the society has ceased to carry on operations in the Province, the registrar may cancel its registration.

(2) On receipt by the registrar, from the registrar of companies or other similar official of the jurisdiction in which an extraprovincial society was incorporated, of notice that the extraprovincial society has ceased to exist, the registrar shall cancel its registration.

1977-80-83.

**PART 9****Imperfect compliance**

**84.** Where there has been imperfect compliance with

- (a) a condition in the membership certificate as to the proof of claim for the payment of benefits by a member; or
- (b) any other matter or thing required to be done by the member with respect to a claim for the payment of benefits

and a consequent forfeiture or avoidance of the certificate in whole or in part, the court, if it considers it inequitable that the benefits should be forfeited or avoided on that ground, may relieve against the forfeiture or avoidance on the terms it considers just.

1977-80-84.

**Investigation of society**

**85.** (1) Where it appears to the registrar that a society

- (a) exists for an illegal purpose;
- (b) carried on chiefly as a social club is not conducted in a proper manner or as a bona fide club;
- (c) within the scope of section 14 is not conducted in a proper manner or is or is likely to become insolvent; or
- (d) is otherwise acting in a manner contrary to the public interest,

the registrar shall report the facts to the minister, who may appoint a person to investigate the affairs and conduct of the society and to make a written report to him of his findings.

(2) The person so appointed may examine on oath a director, manager, officer or agent of the society or other person in relation to the affairs of the society, and may administer an oath accordingly and may require the production of all documents, securities and cash of the society, and of all relevant documents.

(3) A director, manager, officer or agent of the society or other person who on examination under this section refuses to answer a question relating to affairs of the society or to produce any documents, securities or cash in his custody commits an offence.

(4) The minister may, on a report from the registrar or after an investigation, order, subject to the conditions he thinks advisable, that the society

- (a) discontinue an illegal action;
- (b) if a social club, conduct itself in a proper manner;
- (c) if within the scope of section 14, conduct its affairs in a proper manner or take measures to meet its obligations; or

(d) cease acting in a manner contrary to the public interest, as the case may be, and may, subject to the conditions he thinks advisable, suspend any of the powers of the society.

(5) A society that contravenes an order under subsection (1) commits an offence and a director, manager, officer or agent of the society who knowingly participates or acquiesces in the contravention commits an offence.

1977-80-85.

**Court may remedy irregularities**

**86.** (1) Where an omission, defect, error or irregularity occurs in the conduct of the affairs of a society whereby

- (a) a breach of this Act occurs;
- (b) there is default in compliance with the constitution or bylaws of the society; or
- (c) proceedings at or in connection with a general meeting, a meeting of the directors of the society or an assembly purporting to be such a meeting are rendered ineffective,

notwithstanding anything in this Act, the court may, either of its own motion or on the application of an interested person, make an order

- (d) to rectify or cause to be rectified or to negate or modify or cause to be modified the consequences in law of the omission, defect, error or irregularity; or
- (e) to validate an act, matter or thing rendered or alleged to have been rendered invalid by or as a result of the omission, defect, error or irregularity,

and may give the ancillary or consequential directions it considers necessary; but the court shall, before making an order, consider the effect of it on the society and its directors, officers, members and creditors.

(2) An order made under subsection (1) does not prejudice the rights of a third party who has acquired those rights for valuable consideration without notice of the omission, defect, error or irregularity cured by the order.

1977-80-86.

## PART 10

### Authentication of returns

**87.** A notice, return or copy of a resolution required to be filed with the registrar is invalid unless signed by a director, secretary, other authorized officer or solicitor of the society.

1977-80-87.

### Notice

**88.** Where a society or extraprovincial society has been struck off the register or has had its registration cancelled, the registrar shall publish in the Gazette notice of the striking off or cancellation and the date it occurred.

1977-80-88.

### Inspection and copies of documents

**89.** (1) On payment of the fees set out in Schedule C, a person may inspect the documents filed in the office of the registrar relating to a society and may require a copy or extract of a document or part of it, and may require a copy or extract to be certified as a true copy.

(2) A document purporting to be issued by the registrar under his hand or the hand of a person designated as a signing officer by the Lieutenant Governor in Council shall be received in evidence and, unless the contrary is shown, be deemed to have been so issued, and it is not necessary to prove the handwriting or official position of the registrar or person designated by the Lieutenant Governor in Council.

1977-80-89; 1978-15-5.

**Appeals**

**90.** An appeal lies from a decision, refusal or order of the registrar under this Act to the commission.

1977-80-90, 1978-15-5

**Hearings**

**91.** Except where otherwise expressly specified in this Act or the regulations, it is not necessary for the minister, the commission, the registrar or any other person to hold a hearing or to receive submissions as a condition precedent to the exercise of a power, function or duty under this Act.

1977-80-91

**Fees**

**92.** Fees shall be paid to the registrar in respect of the matters mentioned in Schedule C.

1977-80-92

**Regulations**

**93.** (1) The Lieutenant Governor in Council may make regulations and, without restricting the foregoing, may

- (a) prescribe the method of inspection of societies' books of accounts and records;
- (b) prescribe the minimum membership fees and dues payable to a society by its members;
- (c) prescribe procedures to be followed on appeals under section 90;
- (d) prescribe the form and content of financial statements; and
- (e) prescribe the procedure and requirements for the conversion of a society to a company.

(2) The Lieutenant Governor in Council may amend, repeal or add to the schedules and a reference to them shall be to the schedules as added to or replaced.

1977-80-93

**Application of Act**

**94.** (1) This Act applies to a society to which the former Act applied in the same manner as if the society had been incorporated under this Act.

(2) Where the bylaws of an existing society provide for an extraordinary resolution, they shall be taken as meaning a special resolution.

(3) The registrar may make the orders he considers necessary in order to effect generally or in respect of a particular society or class of societies the transition from the application of the former Act to the application of this Act.

(4) An order made by the Lieutenant Governor in Council under the former Act remains in force, until revoked by the Lieutenant Governor in Council, for the same period of time during which it would have remained in force but for this Act.

1977-80-94

## SCHEDULES

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### SCHEDULE A

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#### FORM 1

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#### SOCIETY ACT

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##### CONSTITUTION

1. The name of the society is .
2. The purpose(s) of the society is (are) .

##### BYLAWS

The bylaws of the society are those set out in Schedule B to the *Society Act*.

Dated [month, day], 19 .

Witness(es)

Applicants for Incorporation

[Signature]  
[Full name] [Resident address]

[Signature]  
[Full name] [Resident address]

[Signature]  
[Full name] [Resident address]

[Signature]  
[Full name] [Resident address]

[Signature]  
[Full name] [Resident address]

[Signature]  
[Full name] [Resident address]

---

[Note —At least 5 applicants must sign ]

#### FORM 2

---

#### SOCIETY ACT

---

##### CONSTITUTION

1. The name of the society is .
2. The purpose(s) of the society is (are) .

##### BYLAWS

The bylaws of the society are those set out in Schedule B to the *Society Act*, with the following variations, deletions and additions:

1. etc.
2. etc.
3. etc.

Dated [month, day], 19 .

Witness(es)	Applicants for Incorporation
[Signature] [Full name]    [Resident address]	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]

[Note —At least 5 applicants must sign ]

FORM 3

SOCIETY ACT

CONSTITUTION

- 1. The name of the society is .
- 2. The purpose(s) of the society is (are) .

BYLAWS

Here set forth, in numbered clauses, the bylaws providing for the matters referred to in section 6 (1) of the *Society Act* and any other bylaws.

Dated                    [month, day], 19 .

Witness(es)	Applicants for Incorporation
[Signature] [Full name]    [Resident address]	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]
	[Signature] [Full name]    [Resident address]

[Note —At least 5 applicants must sign ]

## FORM 4

## SOCIETY ACT

## LIST OF FIRST DIRECTORS OF

.....  
(Name of Society)

Full Names

Resident Addresses

- 1.
- 2.
- 3.
- 4.
- 5.

Dated [month, day], 19 .

.....  
(Name of Society)

by .....  
(Signature)

.....  
(Relationship to Society)

[Note —One director must be ordinarily resident in British Columbia and a majority must be ordinarily resident in Canada.]

## FORM 5

Certificate of  
Incorporation No. .... \*

## SOCIETY ACT

## NOTICE OF ADDRESS OF SOCIETY

The address of the society is (street address and postal code) (city or other place), B.C. [the day after this is filed with you]† until the day after the next Notice of Address of the society is filed by the society.

Dated [month, day], 19 .

.....  
(Name of Society)

To the Registrar of Companies,  
Victoria, B.C.

by .....  
(Signature)

.....  
(Relationship to Society)

\* To be inserted only in case of change of address

† Strike out words in brackets when the Notice is filed as part of the application for incorporation

## FORM 6

## SOCIETY ACT

[Address of sender]

[Date]

Registrar of Companies  
Victoria, B C

[Name of Proposed Society]

Dear Sir

We wish to be incorporated under the *Society Act* with the name set out above and for this purpose we enclose

- 1 constitution and bylaws in duplicate,
- 2 a list of our first directors,
- 3 a notice setting out the address of our society, and
- 4 a certified cheque or money order payable to the Minister of Finance for \$50

Please attend to incorporation and then send us the certificate of incorporation and a certified copy of the constitution and bylaws to the address set out above

Yours truly,

(Signature)

on behalf of all applicants for incorporation

## FORM 7

Certificate of  
Incorporation No

## SOCIETY ACT

## NOTICE OF CHANGES IN DIRECTORS OTHER THAN AT AN ANNUAL GENERAL MEETING

The person(s) described as follows

- 1 Became a director (or became directors) on the date(s) shown

Full Name

Resident Address(es)

Date

- 2 Ceased to be a director (or ceased to be directors) on the date(s) shown

Full Name

Date

- 3 Are the directors as of

Date

Dated [month, day], 19

(Name of Society)

by

(Signature)

(Relationship to Society)

## FORM 8

Certificate of  
Incorporation No. ....

## SOCIETY ACT

## REPORT OF ACQUISITION OF A SUBSIDIARY

The society reports that it { caused to be  
incorporated  
acquired

a subsidiary on [month, day], 19 , and the correct name of the subsidiary is and the  
subsidiary was incorporated under the laws of .

Dated [month, day], 19 .

.....  
(Name of Society)

by .....  
(Signature)

.....  
(Relationship to Society)

\_\_\_\_\_  
[Note —Registrar may require further particulars ]

## FORM 9

Certificate of  
Incorporation No. ....

## SOCIETY ACT

## REPORT OF TERMINATION OF SUBSIDIARY RELATIONSHIP

The society reports that (name of former subsidiary corporation) ceased to be a subsidiary  
of the undermentioned on [month, day], 19 .

Dated [month, day], 19 .

.....  
(Name of Society Making Report)

by .....

.....  
(Signature)

.....  
(Relationship to Society)

## FORM 10

Certificate of  
Incorporation No. ....

## SOCIETY ACT

## COPY OF RESOLUTION

The following is a copy of — a special resolution\* passed  
 — an ordinary resolution  
 — a directors' resolution

in accordance with the bylaws of the society on [month, day], 19 ;

“RESOLVED

.”

Dated [month, day], 19 .

.....  
 (Name of Society)

by .....  
 (Signature)

.....  
 (Relationship to Society)

\* Strike out words which do not apply

[Note —No special resolution has effect until accepted by the Registrar of Companies ]

## FORM 11

Certificate of  
Incorporation No. ....

## SOCIETY ACT

## ANNUAL REPORT OF .....

1. The annual general meeting for 19 , was held on (date) at , (place)
2. The directors of the society and their resident addresses, immediately after the end of the annual general meeting, were: [attach list if space insufficient].  

Full Names	Resident Addresses
3. Immediately after the annual general meeting,  
 there were \* non-voting members  
 and  
 \* voting members  
 and  
 the society had an indirect or delegate voting system.  
 Yes .....  
 No .....
4. A copy (copies) of the financial statement(s) presented to the annual general meeting is (are) attached.

Dated [month, day], 19

(Name of Society)

by

(Signature)

(Relationship to Society)

\* Fill in the proper number

[Note — An Annual Report must be filed with the Registrar of Companies within 30 days after each Annual General Meeting ]  
1977-80-Sch A

## SCHEDULE B

### SOCIETY ACT

#### BYLAWS OF

(Name of Society)

#### Part 1 — Interpretation

- 1 (1) In these bylaws, unless the context otherwise requires,
  - (a) “directors” means the directors of the society for the time being,
  - (b) “*Society Act*” means the *Society Act* of the Province of British Columbia from time to time in force and all amendments to it,
  - (c) “registered address” of a member means his address as recorded in the register of members

(2) The definitions in the *Society Act* on the date these bylaws become effective apply to these bylaws

2 Words importing the singular include the plural and vice versa, and words importing a male person include a female person and a corporation

#### Part 2 — Membership

3 The members of the society are the applicants for incorporation of the society, and those persons who subsequently have become members, in accordance with these bylaws and, in either case, have not ceased to be members

4 A person may apply to the directors for membership in the society and on acceptance by the directors shall be a member

5 Every member shall uphold the constitution and comply with these bylaws

6 The amount of the first annual membership dues shall be determined by the directors and after that the annual membership dues shall be determined at the annual general meeting of the society

7 A person shall cease to be a member of the society

- (a) by delivering his resignation in writing to the secretary of the society or by mailing or delivering it to the address of the society,
- (b) on his death or in the case of a corporation on dissolution,
- (c) on being expelled, or
- (d) on having been a member not in good standing for 12 consecutive months

8 (1) A member may be expelled by a special resolution of the members passed at a general meeting

(2) The notice of special resolution for expulsion shall be accompanied by a brief statement of the reason or reasons for the proposed expulsion

(3) The person who is the subject of the proposed resolution for expulsion shall be given an opportunity to be heard at the general meeting before the special resolution is put to a vote

9 All members are in good standing except a member who has failed to pay his current annual membership fee or any other subscription or debt due and owing by him to the society and he is not in good standing so long as the debt remains unpaid

*Part 3 — Meetings of Members*

10 General meetings of the society shall be held at the time and place, in accordance with the *Society Act*, that the directors decide

11 Every general meeting, other than an annual general meeting, is an extraordinary general meeting

12 The directors may, when they think fit, convene an extraordinary general meeting

13 (1) Notice of a general meeting shall specify the place, day and hour of meeting, and, in case of special business, the general nature of that business

(2) The accidental omission to give notice of a meeting to, or the non receipt of a notice by, any of the members entitled to receive notice does not invalidate proceedings at that meeting

14 The first annual general meeting of the society shall be held not more than 15 months after the date of incorporation and after that an annual general meeting shall be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting

*Part 4 — Proceedings at General Meetings*

15 Special business is

- (a) all business at an extraordinary general meeting except the adoption of rules of order, and
- (b) all business transacted at an annual general meeting, except,

- (i) the adoption of rules of order,
- (ii) the consideration of the financial statements,
- (iii) the report of the directors,
- (iv) the report of the auditor, if any,
- (v) the election of directors,
- (vi) the appointment of the auditor, if required, and
- (vii) the other business that, under these bylaws, ought to be transacted at an annual general meeting, or business which is brought under consideration by the report of the directors issued with the notice convening the meeting

16 (1) No business, other than the election of a chairman and the adjournment or termination of the meeting, shall be conducted at a general meeting at a time when a quorum is not present

(2) If at any time during a general meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or terminated

(3) A quorum is 3 members present or a greater number that the members may determine at a general meeting

17 If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be terminated, but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, and if, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the members present constitute a quorum

18 Subject to bylaw 19, the president of the society, the vice president or in the absence of both, one of the other directors present, shall preside as chairman of a general meeting

19 If at a general meeting

- (a) there is no president, vice president or other director present within 15 minutes after the time appointed for holding the meeting, or
  - (b) the president and all the other directors present are unwilling to act as chairman,
- the members present shall choose one of their number to be chairman

20 (1) A general meeting may be adjourned from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

(2) When a meeting is adjourned for 10 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting

(3) Except as provided in this bylaw, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned general meeting

21 (1) No resolution proposed at a meeting need be seconded and the chairman of a meeting may move or propose a resolution

(2) In case of an equality of votes the chairman shall not have a casting or second vote in addition to the vote to which he may be entitled as a member and the proposed resolution shall not pass

22 (1) A member in good standing present at a meeting of members is entitled to one vote

(2) Voting is by show of hands

(3) Voting by proxy is not permitted

23 A corporate member may vote by its authorized representative, who is entitled to speak and vote, and in all other respects exercise the rights of a member, and that representative shall be reckoned as a member for all purposes with respect to a meeting of the society

#### *Part 5 — Directors and Officers*

24 (1) The directors may exercise all the powers and do all the acts and things that the society may exercise and do, and which are not by these bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the society in general meeting, but subject, nevertheless, to

(a) all laws affecting the society,

(b) these bylaws, and

(c) rules, not being inconsistent with these bylaws, which are made from time to time by the society in general meeting

(2) No rule, made by the society in general meeting, invalidates a prior act of the directors that would have been valid if that rule had not been made

25 (1) The president, vice president, secretary, treasurer and one or more other persons shall be the directors of the society

(2) The number of directors shall be 5 or a greater number determined from time to time at a general meeting

26 (1) The directors shall retire from office at each annual general meeting when their successors shall be elected

(2) Separate elections shall be held for each office to be filled

(3) An election may be by acclamation, otherwise it shall be by ballot

(4) If no successor is elected the person previously elected or appointed continues to hold office

27 (1) The directors may at any time and from time to time appoint a member as a director to fill a vacancy in the directors

(2) A director so appointed holds office only until the conclusion of the next following annual general meeting of the society, but is eligible for re-election at the meeting

28 (1) If a director resigns his office or otherwise ceases to hold office, the remaining directors shall appoint a member to take the place of the former director

(2) No act or proceeding of the directors is invalid only by reason of there being less than the prescribed number of directors in office

29 The members may by special resolution remove a director before the expiration of his term of office, and may elect a successor to complete the term of office

30 No director shall be remunerated for being or acting as a director but a director shall be reimbursed for all expenses necessarily and reasonably incurred by him while engaged in the affairs of the society

#### *Part 6 — Proceedings of Directors*

31 (1) The directors may meet together at the places they think fit to dispatch business, adjourn and otherwise regulate their meetings and proceedings, as they see fit

(2) The directors may from time to time fix the quorum necessary to transact business, and unless so fixed the quorum shall be a majority of the directors then in office

(3) The president shall be chairman of all meetings of the directors, but if at a meeting the president is not present within 30 minutes after the time appointed for holding the meeting, the vice president shall act as chairman, but if neither is present the directors present may choose one of their number to be chairman at that meeting

(4) A director may at any time, and the secretary, on the request of a director, shall, convene a meeting of the directors

32 (1) The directors may delegate any, but not all, of their powers to committees consisting of the director or directors as they think fit

(2) A committee so formed in the exercise of the powers so delegated shall conform to any rules imposed on it by the directors, and shall report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held next after it has been done

33 A committee shall elect a chairman of its meetings, but if no chairman is elected, or if at a meeting the chairman is not present within 30 minutes after the time appointed for holding the meeting, the directors present who are members of the committee shall choose one of their number to be chairman of the meeting

34 The members of a committee may meet and adjourn as they think proper

35 For a first meeting of directors held immediately following the appointment or election of a director or directors at an annual or other general meeting of members, or for a meeting of the directors at which a director is appointed to fill a vacancy in the directors, it is not necessary to give notice of the meeting to the newly elected or appointed director or directors for the meeting to be constituted, if a quorum of the directors is present

36 A director who may be absent temporarily from British Columbia may send or deliver to the address of the society a waiver of notice, which may be by letter, telegram, telex or cable, of any meeting of the directors and may at any time withdraw the waiver, and until the waiver is withdrawn,

(a) no notice of meeting of directors shall be sent to that director, and

(b) any and all meetings of the directors of the society, notice of which has not been given to that director shall, if a quorum of the directors is present, be valid and effective

37 (1) Questions arising at a meeting of the directors and committee of directors shall be decided by a majority of votes

(2) In case of an equality of votes the chairman does not have a second or casting vote

38 No resolution proposed at a meeting of directors or committee of directors need be seconded and the chairman of a meeting may move or propose a resolution

39 A resolution in writing, signed by all the directors and placed with the minutes of the directors is as valid and effective as if regularly passed at a meeting of directors

#### *Part 7 — Duties of Officers*

40 (1) The president shall preside at all meetings of the society and of the directors

(2) The president is the chief executive officer of the society and shall supervise the other officers in the execution of their duties

41 The vice president shall carry out the duties of the president during his absence

42 The secretary shall

(a) conduct the correspondence of the society,

(b) issue notices of meetings of the society and directors,

(c) keep minutes of all meetings of the society and directors,

(d) have custody of all records and documents of the society except those required to be kept by the treasurer,

(e) have custody of the common seal of the society, and

(f) maintain the register of members

43 The treasurer shall

(a) keep the financial records, including books of account, necessary to comply with the *Society Act*, and

(b) render financial statements to the directors, members and others when required

44 (1) The offices of secretary and treasurer may be held by one person who shall be known as the secretary treasurer

(2) When a secretary treasurer holds office the total number of directors shall not be less than 5 or the greater number that may have been determined pursuant to bylaw 25 (2)

45 In the absence of the secretary from a meeting, the directors shall appoint another person to act as secretary at the meeting

#### *Part 8 — Seal*

46 The directors may provide a common seal for the society and may destroy a seal and substitute a new seal in its place

47 The common seal shall be affixed only when authorized by a resolution of the directors and then only in the presence of the persons prescribed in the resolution, or if no persons are prescribed, in the presence of the president and secretary or president and secretary treasurer

*Part 9 — Borrowing*

48 In order to carry out the purposes of the society the directors may, on behalf of and in the name of the society, raise or secure the payment or repayment of money in the manner they decide, and, in particular but without limiting the foregoing, by the issue of debentures

49 No debenture shall be issued without the sanction of a special resolution

50 The members may by special resolution restrict the borrowing powers of the directors, but a restriction imposed expires at the next annual general meeting

*Part 10 — Auditor*

51 This Part applies only where the society is required or has resolved to have an auditor

52 The first auditor shall be appointed by the directors who shall also fill all vacancies occurring in the office of auditor

53 At each annual general meeting the society shall appoint an auditor to hold office until he is re-elected or his successor is elected at the next annual general meeting

54 An auditor may be removed by ordinary resolution

55 An auditor shall be promptly informed in writing of appointment or removal

56 No director and no employee of the society shall be auditor

57 The auditor may attend general meetings

*Part 11 — Notices to Members*

58 A notice may be given to a member, either personally or by mail to him at his registered address

59 A notice sent by mail shall be deemed to have been given on the second day following that on which the notice is posted, and in proving that notice has been given it is sufficient to prove the notice was properly addressed and put in a Canadian post office receptacle

60 (1) Notice of a general meeting shall be given to

- (a) every member shown on the register of members on the day notice is given, and
- (b) the auditor, if Part 10 applies

(2) No other person is entitled to receive a notice of general meeting

*Part 12 — Bylaws*

61 On being admitted to membership, each member is entitled to and the society shall give him, without charge, a copy of the constitution and bylaws of the society

62 These bylaws shall not be altered or added to except by special resolution

1977-80-Sch B

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SCHEDULE C

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SOCIETY ACT

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TABLE OF FEES

	\$
1 For incorporation and certificates incidental to incorporation	50 00
2 For filing a resolution, notice, list, return or other document required by this Act	nil
3 For certificate of true copy or extract	5 00
4 For a search (inspection)	1 00
5 For restoration	25 00
6 For registration of an extraprovincial society	50 00
7 For a copy of or extract from a document, for every page or part of a page	15
8 For amalgamation and all necessary certificates incidental to amalgamation	50 00

9. For changing the name or registering a change of name of an extraprovincial society .....	10.00
10. For registration of a mortgage or release of a mortgage .....	3.00
11. Filing of annual report .....	10.00

1977-80-Sch. C.

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