



## **Governance Review FAQ**

### **Why did the SREB conduct a Governance Review?**

The SREB conducted a Governance Review to ensure that we are in compliance with ONCA, to modernize governance practices and as a risk mitigation strategy.

### **What is ONCA?**

The Ontario Not-for-Profit Corporations Act is a piece of legislation in the province of Ontario, Canada, that governs the establishment and operation of not-for-profit corporations. It provides a legal framework for the governance and regulation of such organizations.

### **What is the timeline to comply with ONCA?**

The deadline for compliance is October 24, 2024.

### **Who did the review?**

The review was conducted by Raquel Chisholm and team of Emond Harnden LLP and the Governance Committee. The bylaws, Articles of Incorporation and review were then discussed, amendments made and approved by the Board of Directors.

### **Why did legal recommend moving Arbitration, Professional Standards, General Membership, & Board of Directors into policies?**

It was recommended to move these sections into policy because they address the procedures of the organization or a process such as Arbitration.

### **What is the difference between having Arbitration, for example, in policy versus bylaws?**

Bylaws and policies are distinct governance documents within an organization. Bylaws serve as the internal rules and regulations guiding the structure, operations, and decision-making processes of the organization. They typically outline details like the roles of officers, meeting procedures, and membership requirements. On the other hand, policies are specific guidelines and directives that address various aspects of the organization's operations, such as employee conduct, financial procedures, or code of ethics. While bylaws set the overall framework for the organization's governance, policies provide detailed guidance on specific issues or areas of operation. In essence, bylaws focus on organizational structure and procedures, while policies address specific behaviors, decisions, and practices within the organization.

### **What are the key changes to the bylaws?**

Please refer the document "Governance Review Key Bylaw Changes".

### **Why are we having our election of the Board of Directors at the Annual General Meeting?**

Under the Ontario Not-for-Profit Corporations Act (ONCA), conducting the election of the Board of Directors at the Annual General Meeting (AGM) is a standard practice and legal requirement. This process fosters member participation, transparency, and accountability in the governance of not-for-profit organizations. The AGM provides a platform for members to vote on key matters, ensuring democratic involvement, and it aligns with statutory obligations outlined in the ONCA. By following organizational bylaws and legal requirements, the AGM facilitates smooth leadership transitions, promoting stability and continuity in the management of the organization.

### **Why are we changing to 50% + 1 to pass a motion?**

Under the ONCA, only certain votes require a 2/3 vote, such as a change in the corporation's name, adding, removing or change any restriction upon the activity or activities that the corporation may carry on or upon the powers that the corporation may exercise; creating a new class or group of members; increase or decrease the



number of, or the minimum or maximum number of, directors fixed by the articles; change the purposes of the corporation etc.

It has been recommended that we move to 50% + 1 to pass all other motions to facilitate a more democratic process and modernize the governance practices of our organization.

### **Why are we changing the Articles of Incorporation?**

We currently have outdated Letters Patent from the 1950s and ONCA stipulates that we need to have Articles of Incorporation. Therefore, we have modernized our Letters Patent and will apply for Articles of Incorporation.

### **What is the difference between Letters Patent and Articles of Incorporation?**

Letters Patent are official documents issued by a government authority, granting rights and formally recognizing the existence of a corporation, while Articles of Incorporation, filed by the founders with a government agency, serve as the legal foundation for the corporation by outlining essential details such as its name, purpose, governance structure, and business specifics. While both documents contribute to the establishment of a corporation, Letters Patent typically confer specific rights or privileges, and the issuance is an official act of recognition, while Articles of Incorporation provide the statutory framework for the corporation's operation.

### **What happens if we don't adopt the new bylaws?**

Non-compliance with government legislation opens the association to risks, such as a risk to our tax-exempt status. BOD is here to mitigate risk, hence why we conducted this review. We want to ensure that our association serves our members as best we can. If the bylaws are not approved at the Special General Meeting, the SREB will have to review member feedback, adjust the proposed bylaws to comply with the legislation, and present them to members for a vote again before the deadline of October 24, 2024.

### **When and where will members vote on these new bylaws?**

We will be voting at our Annual General Meeting on April 24<sup>th</sup>, 2024 at 9 am.

### **Who do we contact if we have further questions or comments?**

Please contact the 2024 SREB Chair, Amanda Denis or the Governance Committee Chair, Tanya Vanden Berg. Alternatively, you can email SREB at [info@sudburyrealestateboard.com](mailto:info@sudburyrealestateboard.com)