

SREB Governance Review Key Bylaw Changes

The following summarizes the key changes proposed in the new bylaws. While this list is not exhaustive, it does represent the significant changes and the rationale behind them.

Article, Section	Change	Rationale
Articles of Incorporation	Letters Patent amended and proposed change into Articles of Incorporation	ONCA requires that specific information about the not-for-profit corporation be included in the articles of incorporation, including: <ul style="list-style-type: none"> • the corporation’s name • the corporation’s purpose • the address of the corporation’s registered office • classes or groups of members and the voting rights of each class or group (if applicable) Letters Patent are no longer used under ONCA. a) In the Letters Patent, the objects were reviewed and amended to reflect the current practises of the SREB.
Article 1, Section 6	Removal of Corporate Seal	b) We are no longer required to have a Corporate Seal. This section was removed because SREB does not have or use a corporate seal.
Article 1: Section 2 Definitions and Interpretations	Changes a) “Act” means the Real Estate and Business Brokers Act 2002 Trust in Real Estate Services Act, 2002 (TRESA) and its regulations, and any successor legislation; c) “ Board ” “SREB” means the Sudbury Real Estate Board (the “SREB”) ; k) “Corporations Act” means the Corporations Act, RSO 1990, c. C-38, as amended and any successor or replacement legislation	c) REBBA 2002 has been replaced with TRESA 2002. c) We wanted to remove any reference to Board to avoid confusion around the SREB or the Board of Directors k) Any reference to the Corporations Act will be changed the Not-for-Profit Corporations Act
Article 1, Section 3	Removal of Section	This information is to be in the Articles of Incorporation.
Article 1, Section 5	Removal of Section	This information is to be in the Articles of Incorporation.
Article 1, Section 7	Removal of Section	This information is to be in the Articles of Incorporation.
Article 2, Section 2.3	Addition	A provision in the by-laws that speaks to the recognition of any individual authorized by a member firm to represent the

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	Each Firm shall designate one person as its representative (the “Representative”), and the individual may exercise all of the powers of that member on its behalf. The name of the Member’s Representative must be filed with the Corporation at the time and in the manner determined by the Board.	member at meetings is recommended, as per subsection 48(7) of the ONCA.
Article 2: Section 3	Removal of section	Information is not applicable.
Article 2: Section 7, 7.01	Removal of section The first fiscal period of the Board shall end on the 26th day of October 1962, and after that the fiscal year of the Board shall end on the 31st day of December, in each year or on such other date as the Directors may by resolution determine.	7.02 addresses this: The fiscal year of the SREB shall end on the 31 st day of December of each year.
Article 2: Section 3 Application Approval Process Article 2: Section 4 Effect of Refusal of Membership Article 2: Section 6 Members Generally	Removal of sections into policy	These sections deal with internal operations and processes and are, therefore, better suited to policy. The SREB recommends that this section be moved into policy. As per art. 4.03(g) of the OREA by-laws, the only requirement here is for that SREB’s by-laws indicate that members agree to abide by the REALTOR Code. The rest of this section can be included in a policy.
Article 2 Membership Section 7 Membership Disputes	Changes to section, renumbered	We have simplified this section by saying that SREB must follow the dispute resolution process as per the OREA bylaws. The details in this section are not mandatory inclusions for bylaws and, therefore, better suited to a policy.
Article 3 Membership Matters to Membership Conditions	Renaming	This naming change reflects more accurately the contents of the article
Article 3: Section 5 Maternity/Paternity or Adoption Leave	Removal of sections into policy	This level of detail regarding procedure is better placed in a policy. The by-laws only need to address the core of the criteria for membership.

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<p>Article 3: Section 6 Sick Leave</p>		
<p>Article 5: Meetings & Voting</p>	<p>Amendments 1.01 b) “Responsibilities and duties” be changed to “rights”</p> <p>Addition 1.03 a) Except as provided for in this Section 1, no other person except as provided for in the Corporations Act shall be entitled to receive no notice of or vote at, either in person or by proxy, a meeting of Members. Only Members shall be entitled to notice of Notice shall be given in the manner specified in the Act to each Member, each Director and to the auditor or person appointed to conduct a review engagement. Only Members may vote at a meeting of Members. Where, in this By-law or by the Corporations Act, any matter is required to be approved by members, this shall mean the Members using the meeting and voting procedures set out in this Article.</p>	<p>This is a terminology change to reflect compliance with ONCA.</p> <p>Addition as per ONCA.</p>
<p>Article 5: Meetings & Voting Section 3: Annual Meeting</p>	<p>Amendments Addition to 3.1: Subsequently, the following Annual Meeting shall be called no later than fifteen (15) months after holding the preceding Annual Meeting. 7.1 Each year there shall be a meeting of the Members at a place and time to be determined by a resolution of the Directors, for the purpose of electing the Board of Directors (the "Election Meeting") Each year there shall be an election of the members at the annual meeting.</p>	<p>Under ONCA, the election must take place at the Annual General Meeting and any subsequent annual meeting must occur within 15 months.</p>
<p>Article 6 Section 3 - Board Meetings</p>	<p>Addition: 3.01 Calling of Meetings Meetings of the Directors may be called by the Chair or any two Directors at any time and any place on notice as required by this By-law. 3.02 Regular Meetings</p>	<p>Section 26 of the ONCA indicates that members can now remove a director by ordinary resolution at a special meeting (50% plus 1). This does not apply to a director who is appointed because they hold a particular office. If a director is elected by a particular class of members, only</p>

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	<p>The Board may fix the place, if applicable, and time of regular Board meetings and send a copy of the resolution fixing the place, if applicable, and time of such meetings to each Director, and no other notice shall be required for any such meetings.</p> <p>3.03 Notice Notice of the time and place, if applicable, for the holding of a meeting of the Board shall be given not less than [#] days before the date that the meeting is to be held.</p> <p>Notice of a meeting is not necessary if all of the Directors are present, and none objects to the holding of the meeting, or if those absent have waived notice or have otherwise signified their consent to the holding of such meeting. If a quorum of Directors is present, each newly elected or appointed Board may, without notice, hold its first meeting immediately following the annual meeting of the Corporation.</p> <p>A notice of a meeting of Directors need not specify a place of the meeting if the meeting is to be held entirely by one or more telephonic or electronic means. If the Directors may attend a meeting by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.</p> <p>3.04 Voting Each Director has one vote. Questions arising at any Board meeting shall be decided by a majority of votes. In case of an equality of votes, the Chair shall not have a second or casting vote.</p>	<p>the members of the class can remove the director in this way.</p>
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	<p>3.05 Participation by Telephonic or Electronic Means Subject to the provisions of the articles, if any, a meeting of Directors may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means, provided that all persons attending the meeting are able to communicate with each other simultaneously and instantaneously. A person who, through telephonic or electronic means, attends a meeting of Directors is deemed for the purposes of the Act to be present at the meeting.</p>	
<p>Article 6: Board of Directors, Section 3 Vacancies on the Board of Directors</p>	<p>Addition 3.1 The office of a Director shall be vacated immediately:</p> <ul style="list-style-type: none"> a) if the Director resigns office by written notice to the SREB, which resignation shall be effective at the time it is received by the SREB or at the time specified in the notice, whichever is later; b) if the Director dies or becomes bankrupt; c) if the Director is found to be incapable by a court or incapable of managing property under Ontario law; or d) if, at a meeting of the Members, the Members by ordinary resolution removes the Director before the expiration of the Director’s term of office. 	<p>These are requirements under ONCA.</p>
<p>Article 6: Section 6 Executive Committee</p>	<p>Removal of section</p>	<p>The board has the authority to create a committee, set its composition, create terms of reference etc and therefore this is not required in the bylaws.</p>
<p>Article 6 Board of Directors Section 9 Chief Executive Officer</p>	<p>Removal of sections into policy</p>	<p>The relationship between the CEO and the Board of Directors is an employment relationship. The terms of such</p>

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		are captured in n Employment Agreement and Employee Policies.
Article 6: Section 13 Execution of Contracts	Removal of sections into policy	This level of detail is best suited to a policy
Article 6: Section 17 Rules & Regulations	Removal of sections into policy	Rules and regulations are viewed through a policy-making lens and are not by-laws. Although the ONCA does not prevent section 17, it is important to note the distinction. The ratification of rules and regulations is not common and not required by the ONCA. Therefore, it is recommended that Rules & Regulations be a separate policy not tied to the bylaws.
Article 7 Committees	Removal of sections into policy	These sections deal with the operations and processes of committees and are, therefore, better suited to policy. The SREB recommends that this section be moved into policy.
Article 8 Arbitration	Removal of sections into policy	These sections deal with internal operations and processes and are, therefore, better suited to policy. The SREB recommends that this section be moved into policy.
Article 9 Professional Standards and Discipline	Removal of sections into policy	These sections deal with internal operations and processes and are, therefore, better suited to policy. The SREB recommends that this section be moved into policy.
Article 13, Section 2 - Approval of By-law Amendments	Amendments: 2.01 Any enactment, amendment or repeal of this By-law as approved by the Directors is not enforceable until confirmed by not less than two-thirds (2/3) the majority of the votes cast by the Members present either in person or by proxy, at a duly called meeting of the Members of the Board.	Under ONCA the vote to “confirm, reject or amend” the by-laws only requires a 50%+1 vote of the members at the meeting, not a special resolution. A special resolution requires a 2/3 majority. Under the ONCA, only certain votes require a 2/3 vote: <ul style="list-style-type: none"> a) change the corporation’s name; b) add, remove or change any restriction upon the activity or activities that the corporation may carry on or upon the powers that the corporation may exercise; c) create a new class or group of members; d) change a condition required for being a member; e) change the designation of any class or group of members or add, change or remove any rights or conditions of any such class or group;

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		<ul style="list-style-type: none"> f) divide any class or group of members into two or more classes or groups and fix the rights and conditions of each class or group; g) add, change or remove a provision respecting the transfer of a membership; h) subject to section 30, increase or decrease the number of, or the minimum or maximum number of, directors fixed by the articles; i) change the purposes of the corporation; j) change to whom the property remaining on liquidation after the discharge of any liabilities of the corporation is to be distributed; k) change the manner of giving notice to members entitled to vote at a meeting of members; l) change the method of voting by members not in attendance at a meeting of the members; or m) (m) add, change or remove any other provision that is permitted by this Act to be set out in the articles.
Article 15 – REALTOR®Code	Removal of sections into policy	Seeing as the REALTOR®Code is an external policy from the Canadian Real Estate Association (CREA), and therefore better suited to policy.