

## Industry Canada

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# Corporations Canada

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## Membership

### Conditions of Membership

The articles are required to set out the classes, or regional or other groups, of members that the corporation is authorized to have. In addition, if there are two or more classes of membership, the voting rights attached to each of the classes must also be explained.

The by-laws must set out the conditions required for being a member of the classes described in the articles. Note that this information may instead be in the articles. Conditions of membership express the corporation's requirements for issuing a membership in a particular class (i.e., admitting someone as a member of the corporation). [Membership conditions](#) can be broad in nature, such as having a class of members open to all persons who have donated to the corporation. Conditions can also be restrictive in nature, such as having a class of members who are limited to the board of directors of the corporation, the board of directors of another corporation, or even one named person or corporation. The [conditions of membership](#) should establish whether or not a body corporate can be a member.

### Classes of Membership and How to Change Classes and Members' Rights

The articles set out the classes or groups of members and their voting rights. A corporation may have only one class of members, in which case, all members are voting members. Alternatively, a corporation may have two or more classes of members, as long as the articles give the right to vote to at least one class.

If the directors wish to change the classes described in the articles, or the voting rights attached to a class of members, an amendment to the articles of the corporation and, in some cases, to the by-laws of the corporation will be required. In either situation, a special resolution of the members is needed. For further information, see [Member Resolutions](#). It should be noted that, in certain circumstances involving changes to membership classes and voting privileges, the members of a class or group of members may be entitled to vote separately as a class or group. See [Right to Vote and Class or Other Group Votes](#).

### Becoming and Ceasing to be a Member

Membership in a corporation is issued in accordance with the requirements of the articles and by-laws. The first members of a corporation are usually approved by resolution passed by the directors at their first meeting. Initial members will be admitted at that meeting, and new members may then be admitted afterwards, from time to time. It is also possible for the directors to delegate the authority for issuing memberships to a committee or officer of the corporation.

Unless the by-laws or articles say otherwise, a member will cease to hold a membership in a corporation if:

- the member dies;
- the member resigns;
- the member is expelled or their membership is terminated in accordance with the articles or by-laws;

- the member's term of membership expires; or
- the corporation is liquidated and dissolved under the NFP Act.

## Disciplining a Member

The NFP Act specifically allows the articles or by-laws of a corporation to give the power to discipline a member or to terminate their membership to the directors, the members, or any committee of directors or members. However, if the articles or by-laws provide for this power, they must also set out the circumstances and the manner in which the power may be exercised. This means that either the articles or the by-laws must prescribe the process to be followed to terminate a membership or discipline a member, including matters such as:

- notice to the member;
- whether the member will be given the right to be heard or provide submissions;
- how the decision to terminate or discipline is to be made by the corporation; and
- whether the decision is final and binding on the member, or is subject to appeal.

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## Rights and Responsibilities of Members

### Right to Vote, and Class or Other Group Votes

The classes of membership described in the articles may be voting or non-voting. If the articles provide for two or more classes of members, the articles must provide the members of at least one class with the right to vote at a meeting of members. In other words, it is not permissible for a corporation to have no voting members.

Unless the articles provide otherwise, each member is entitled to one vote at a meeting of members. The members of a corporation that has only one class of members have the right to vote at any meeting of the members.

If a corporation has more than one class of members, the members of each class will have certain built-in protections. The NFP Act provides that the members of a class are entitled to vote separately as a class on a proposal to make certain amendments to the articles and [1](#). These amendments are those that:

- exchange, reclassify or cancel all or part of the memberships of a particular class;
- add, change or remove rights or conditions attaching to memberships of a particular class (including reduction or removal of a liquidation preference) or add, remove or change prejudicially voting or transfer rights of a particular class;
- increase the rights of any other class having equal or superior rights to those of a particular class;
- increase the rights of a class of members having rights inferior to those of a particular class to make the inferior class equal to or superior to the particular class;
- create a new class having rights equal to or superior to those of a particular class;
- exchange or create a right of exchange of all or part of the memberships of another class into memberships of a particular class.

Sections (a) and (e) are optional and the articles may provide that these rights do not apply to certain membership classes of a corporation. If this option is chosen, it means that, for example, under section (a) other classes of members could cancel a particular class of members without the approval of the class of members being cancelled. Under section (e), it means that new classes of members with equal or superior rights to an affected class can be added to the articles without the approval of the affected class.

All of the other changes referred to above in sections (b), (c), (d) and (f) provide specific class protections (which cannot be removed in the articles) that allow each class to vote separately as a class concerning the matters referred to in those sections. This right to have a separate class vote applies even where a particular class does not otherwise carry a right to vote in the articles.

Separate class votes are also provided in the NFP Act with respect to the approval of fundamental changes, such as amalgamation or continuance. For further information, see [Changing the Structure or Nature of the Corporation](#).

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## Notice of Meetings of Members

Notices of meetings of members must be provided in accordance with the by-laws to the following persons:

- each member entitled to vote;
- each director; and
- the public accountant of the corporation.

Members who are entitled to receive notice are those who appear in the members register on a certain date called the "record date." The directors may fix, by resolution, a record date that is not more than 60 days and not less than 21 days before the meeting. If the directors do not take this action, then the NFP Act provides that the record date is the close of business on the day immediately preceding the day on which notice is given or, if no notice is given, the day on which the meeting is <sup>2</sup>

The provisions of the by-laws that deal with the giving of notice must comply with the regulations under the NFP Act. The regulations provide minimum and maximum notice periods for meetings and require that the by-laws specify one or more of the following means of giving notice:

- by mail, courier or personal delivery to each member entitled to vote at the meeting during a period of 21 to 60 days before the meeting;
- by telephonic, electronic or other communication facility to each member entitled to vote at the meeting during a period of 21 to 35 days before the meeting;
- by affixing the notice, no later than 30 days before the meeting, to a notice board where information about the corporation's activities is regularly posted in a location that is frequented by the members; and
- if the corporation has more than 250 members, by publication using one of the following two means:
  - at least once in each of the three weeks immediately before the meeting is to be held in one or more newspapers circulated in the municipalities in which the majority of the members reside as shown by their addresses in the register of members; or
  - at least once in a publication of the corporation that is sent to all its members, during the period of 21 to 60 days before the day on which the meeting is to be held.

If the provisions of the by-laws do not comply with the above requirements, or if no method is provided for in the by-laws, the notice must be mailed or personally delivered to the members 21 to 60 days before the day on which the meeting is to be <sup>3</sup>

## Member Proposals

Generally, the directors are responsible for setting the agenda of members meetings. However, members have a right to add items to the agenda by submitting a notice – known as a "proposal" – to the corporation 90 to 150 days before the anniversary of the previous annual meeting of members. In this regard, any member entitled to vote at an annual meeting of members may submit a proposal to the corporation about any matter that the member wishes to raise at the <sup>4</sup>. This includes the right of a voting member to submit a proposal to make, amend or repeal by-laws.

If a proposal includes nominations for the election of directors, the NFP Act states that the proposal must be signed by at least 5% of the members entitled to vote at the annual meeting. However, the Act also permits the corporation to use its by-laws to lower this percentage (for example "at least 2%"), but not to raise it.

With few exceptions, the corporation is required to include the proposal in the notice of meeting that is sent to the members. <sup>5</sup> If requested by the member who submits a proposal, the corporation is required to include in the notice of meeting a statement by the member in support of the proposal and the name and address of the member. The regulations provide that the statement and proposal shall not exceed 500 words in total.

The member who submitted the proposal is required to pay any cost of including the proposal and statement in the notice of meeting unless it is otherwise provided in the by-laws or in an ordinary resolution of the members present at the meeting.

It should be noted that directors are not obliged to include the proposal if:

- the submission of the proposal does not meet the requirements above; or
- the proposal is improper, in that:
  - it is intended to enforce a personal claim or redress a personal grievance against the corporation, or its directors, officers, members or debt obligation holders;

- it does not relate in a significant way to the activities or affairs of the corporation;
- not more than 2 years before the receipt of the proposal, the member failed to raise the matter covered by the proposal at a meeting of members;
- it is substantially the same as a proposal previously submitted to members less than 5 years ago and it did not receive the minimum required support at that meeting [6](#); or
- the rights to submit proposals are being abused to secure publicity.

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## Requisition of Meeting

The directors are responsible for calling annual and special meetings of members, but members who hold at least 5% of the voting rights may require the directors to call a meeting of members. [7](#) This is called a "requisition." The requisition (which may consist of several documents, each signed by one or more members) must state the business to be transacted at the meeting and must be sent to each director and to the registered office of the corporation.

If the directors fail to call a meeting within 21 days of receiving the requisition, any member who signed the requisition may call a meeting and the corporation must reimburse the member for the cost of doing so.

It should be noted that directors are not obliged to call a meeting if:

- the directors have already established a record date for determining members entitled to receive notice of a meeting of members (i.e. the directors have already started the process to call a members meeting);
- the directors have already called a meeting, or
- the business stated in the requisition is improper in that:
  - it is intended to enforce a personal claim or redress a personal grievance against the corporation, or its directors, officers, members or debt obligation holders;
  - it does not relate in a significant way to the activities or affairs of the corporation;
  - not more than 2 years before the receipt of the proposal, the member failed to raise the matter covered by the proposal at a meeting of members;
  - it is substantially the same as a proposal previously submitted to members less than 5 years ago and it did not receive the minimum required support at that meeting [8](#); or
  - the rights to submit proposals are being abused to secure publicity.

## Election and Dismissal of Directors

The first directors listed in the notice of directors filed with the Articles of Incorporation hold office until the first meeting of members, which must be held within 18 months of incorporation.

At the first meeting of members, and at each subsequent annual meeting where an election of directors is required under the by-laws, the members must elect directors. Election of directors is by ordinary resolution, unless the articles require otherwise. [9](#)

Members may also remove directors and fill vacancies on the board. See [The Directors](#).

## Approval or Confirmation of By-laws and By-law Amendments

Generally, the NFP Act requires that by-law amendments be made by the directors, subject to later confirmation by ordinary resolution of the members. By-laws and their amendments are generally effective immediately upon board approval but cease to be effective if not confirmed by the members at their next meeting. [10](#)

Certain "special by-laws" require a special resolution of members. These by-law amendments are effective immediately upon passage of the special resolution of members. If the subject matter of the by-law amendments addresses the matters referred to in section (1) above, approval of these special by-law amendments will require a separate class vote. [11](#) Where a separate class vote is required, members of a class who do not otherwise have the right to vote are also permitted to vote separately as a class. For further information on by-law amendments, see [Changing By-laws](#).

## Access to Corporate Records

A corporation is obliged to keep certain corporate records at its registered office or at some other location in Canada established by the board of directors.<sup>12</sup>

A member, a member's personal representative, and any creditor of a corporation may examine and take extracts from these records, with the exception of the register of members. Any such person who wishes to examine the debt obligation register of a corporation must first make a request to the corporation, its agent or other designated representative accompanied by a statutory declaration.<sup>13</sup> If the member wishes to examine a corporation's register of members or obtain a list of members, additional requirements must be met.

A reasonable fee may be charged by the corporation for extracts except that a member is entitled, on request and without charge, to one copy of the articles and by-laws, any amendments to them, and any [unanimous member agreement](#). Any examination of corporate records must take place during the corporation's regular business hours. See [Corporate Records and Filing Obligations](#).

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## Receive Corporation's Financial Statements and Public Accountant's Report

Directors are required to provide the members with the corporation's financial statements, including the public accountant's report, before every annual meeting. The comparative financial statements must be prepared in accordance with the generally accepted accounting principles set out in the *Canadian Institute of Chartered Accountants Handbook – Accounting*, or the *Canadian Institute of Chartered Accountants Public Sector Accounting Handbook*. Furthermore, the financial statements must consist of the following statements:

- a statement of financial position or a balance sheet;
- a statement of comprehensive income or a statement of retained earnings;
- a statement of changes in equity or an income statement; and
- a statement of cash flows or a statement of changes in financial position.<sup>14</sup>

It is possible for a corporation to apply to Corporations Canada for relief from these requirements in certain circumstances.

A corporation is required to send a copy or a summary of the financial statements or a copy of a publication of the corporation containing the financial information or a summary of such information to each member not less than 21 days but not more than 60 days before the annual meeting of members or before the day on which a resolution in writing is signed by the members. If a summary of the information is provided to the members, the corporation must tell the members how to access a full copy of the documents free of charge.<sup>15</sup>

If the by-laws specifically permit, instead of sending the financial statements to each member, the corporation may provide notice to the members that the financial statements are available at the registered office of the corporation and that any member may obtain a free copy in person or by pre-paid mail.<sup>16</sup> If the members consent in writing, the corporation may post the information on its website and notify the members in writing of the availability of the documents on its website.<sup>17</sup>

## Approve Major or Fundamental Changes

In most cases, fundamental changes (e.g., continuance, amalgamation, amendments to articles) require approval by special resolution of the members and sometimes by separate class votes. Information on amendments to articles is provided above in [Right to Vote, and Class or Other Group Votes](#). For information on fundamental changes, see [Changing the Structure or Nature of the Corporation](#).

## Immunity of Members from Liability

Members of a corporation are not liable for any liability (e.g., debts) of the corporation caused by any act or default of the corporation.<sup>18</sup> However, if a member is also involved in the corporation in a different capacity, for example as a director, officer or employee, the member would not be immune from a liability that might arise from those capacities.

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## Members Meetings

### When to Hold Meetings and Resolutions in Writing

A corporation is required to hold a members meeting within 18 months of the date the corporation comes into existence.<sup>19</sup> After that, annual meetings must be held no later than 15 months from the last preceding annual meeting and in any event not later than 6 months after its preceding financial year end.

Alternatively, the members may sign a resolution in writing instead of holding a meeting (see [Members Resolutions](#)). A properly-signed resolution in writing is just as valid as if it had been passed at a meeting of members.<sup>20</sup> A resolution in writing must be signed by all members who would have been entitled to vote at the annual meeting and must be retained in the corporation's records.

It should be noted that the members may not sign a resolution in writing instead of holding a meeting if a meeting has been called to replace:

- a director and the director has provided a written statement<sup>21</sup> explaining his/her resignation or opposition to being removed; or
- the public accountant and the public accountant has provided a written statement<sup>22</sup> explaining his/her resignation or opposition to being removed.

A resolution in writing is particularly useful for small membership corporations. The date of the meeting or the resolution in writing (if a meeting is not held) must be indicated on the corporation's annual return.

### Notice Requirements

A corporation is required to provide notice to the members of the time and place of an annual meeting in accordance with its by-laws.<sup>23</sup> The provisions of the by-laws relating to notice must comply with the NFP Act and its regulations (i.e., they must set out one or more of the notice options that are in the regulations). The options for giving notice are:

- Notice by mail, courier or personal delivery to each member and debt obligation holder entitled to vote at the meeting, no more than 60 days and no fewer than 21 days before the meeting date.
- Notice by telephonic, electronic or other communications facility to each member and debt obligation holder entitled to vote at the meeting, no more than 35 days and no fewer than 21 days before the meeting date.
- By affixing the notice to a notice board where information respecting the corporation's activities is regularly posted and that is located in a place frequented by the members no later than 30 days before the day on which the meeting is to be held; and
- If a corporation has more than 250 members, by publication:
  - at least once in each of the 3 weeks immediately before the day on which the meeting is to be held in one or more newspapers circulated in the municipalities in which the majority of the members reside, or
  - at least once in a publication of the corporation that is sent to all its members, no more than 60 days and no fewer than 21 days before the meeting date.

If the provisions of the by-laws do not comply with the above requirements, or if no method is provided for in the by-laws, the notice must be mailed or personally delivered to the members 21 to 60 days before the day on which the meeting is to be held.<sup>24</sup>

If the by-laws provide for an electronic means of giving notice, they must also provide for a non-electronic alternative means of giving notice to ensure that everyone who is entitled to vote can receive notice of the meeting.

For examples of these documents, see Notice of Annual Members Meeting and Minutes of Annual Members Meeting, and Written Resolutions of Members.

### Agenda for an Annual Meeting

The agenda for an annual meeting, which should be included with the notice of meeting sent to members, should include the following items:

- consideration of the financial statements;
- receipt of report from the public accountant;

- appointment of a public accountant (or, in the case of a designated corporation, a resolution of the members to dispense with the appointment of a public accountant); and
- election of directors.

The directors may also include other items of business on the agenda. Examples of other items of business include such matters as general by-law amendments that require confirmation by the members; articles of amendment; or other similar changes.

## Location of Annual Meeting

The annual meeting of members must be held in Canada at a place specified in the by-laws or, if the by-laws do not contain such a provision, at a place that the directors determine. An annual meeting may be held outside of Canada only if permitted by the corporation's articles or if all of the members entitled to vote at the meeting agree. <sup>25</sup>

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## Electronic Meetings and Electronic Voting

Unless otherwise provided by the by-laws, any person entitled to attend a meeting of members may attend the meeting by using a telephonic, electronic or other communication facility. The communications system used must permit all participants to communicate adequately with each other during the meeting. In such a case, the corporation must make these facilities available. <sup>26</sup>

If the directors or members intend to call a meeting under the NFP Act, they may decide that the meeting should be held entirely by using a telephonic, electronic or other communication facility, as long as the by-laws specifically allow the use of such communications systems. The communications system used must permit all participants to communicate adequately with each other during the meeting.

## Absentee Voting

The by-laws may allow members to vote at meetings of members, even when they are not physically present at the meeting. This is known as "absentee voting". <sup>27</sup> If a corporation wishes to permit its members to vote by absentee voting, its by-laws must include an option or options allowing members to vote selected from those permitted under the NFP Act. The types of absentee voting permitted under the Act are:

- voting by proxy;
- voting by mailed-in ballots; and
- voting by means of a telephonic, electronic or other communication facility.

If the by-laws include one of the above methods of absentee voting, they must also set out the procedures for collecting, counting and reporting the results of any vote.

## Quorum <sup>28</sup>

A quorum of members must be present in order to make decisions at annual or [Special Meetings](#) of members. Without a quorum, any business carried out at a meeting is not binding on the corporation. The by-laws of a corporation usually contain the quorum requirement which must be a fixed number of members, a percentage of members, or a percentage of members that is determinable by a formula. If the by-laws are silent on the subject, then a quorum is a majority of the members entitled to vote at the meeting. <sup>29</sup>

## Minutes

The corporation must keep a written record of each meeting of members and any committee of members. This written record is referred to as the "minutes" of the meeting. The minutes of meetings should be kept in the corporation's minute book (i.e. a book or other device where the minutes and resolutions of the corporation are recorded). Minutes of meetings usually include the following information: <sup>30</sup>

- where and when the meeting was held;
- who attended; and
- the results of any voting in the form of resolutions.

For an example of the minutes of an annual members' meeting, see Notice of Annual Members Meeting and Minutes of Annual Members Meeting.

In addition, the corporation must keep any resolutions of members and of any committee of members in the corporation's minute book.

## Special Meetings

Special meetings of members may also be called by the directors to make decisions concerning special business. Special business is generally considered to be any business other than the annual business to be transacted at an annual meeting of members. For example, special business may include the approval of a fundamental change such as amalgamation. If an annual meeting includes special business, it is called an "annual and special meeting of members."

Whenever special business is included on the agenda of a meeting, the notice of the meeting must state the nature of that business in sufficient detail to permit a member to form a reasoned judgment on the business, and also state the text of any special resolution to be submitted to the meeting.

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## Member Resolutions

Members make decisions by voting on resolutions, which can either be passed at members' meetings or adopted by signing written resolutions instead of holding meetings. Decisions can be made by ordinary, special or unanimous resolutions or by consensus decision-making. The articles may also require a greater number of members' votes to make a decision than are required by the NFP Act. [31](#)

"Ordinary resolutions" require a simple majority of votes cast by the members entitled to vote and who are in attendance at a meeting to be adopted. For example, the election of directors is a decision that is usually made by ordinary resolution.

"Special resolutions" require the approval of two-thirds (2/3) of the votes cast by the members entitled to vote and who are in attendance at a meeting to be adopted. For example, fundamental changes such as amalgamation and continuance require special resolutions.

"Unanimous resolutions" require the approval of all the votes cast by members entitled to vote to be adopted. For example, the members of a designated corporation may pass a resolution to dispense with the appointment of a public accountant as long as the resolution is consented to by all of the members that are entitled to vote at the annual meeting.

If there are two or more classes or groups of members, the members of each class may be entitled to vote separately as a class to pass ordinary or special resolutions to approve certain matters that specifically affect that class or group.

It is possible for the by-laws to include a provision allowing the members to make decisions by consensus, even in cases where the NFP Act requires a vote. This does not apply, however, to a vote by members of a designated corporation not to appoint a public accountant, or to situations where a special resolution is required. It is important for such by-laws to clearly define what is meant by "consensus", and how to determine when a consensus cannot be reached. A decision made by consensus is deemed to satisfy any requirement under the NFP Act for the taking of a vote. However, if the members cannot reach a consensus, the by-laws must establish a process for referring such matters to a vote. [32](#)

In most cases, a resolution in writing signed by the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of members. A resolution in writing requires the signatures of all of the voting members of the corporation. [33](#) See Written Resolutions of Members.

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## Member Agreements

Voting members of a corporation may wish to enter into an agreement on how they will vote on certain issues. For example, if there are three individuals who are the voting members, they could agree to vote so that all three are elected as directors.

Voting members of a corporation may also enter into a [unanimous member agreement](#) that permits decision-making power to be transferred from the directors to the members, as long as the corporation is not a soliciting corporation under the NFP Act.<sup>34</sup> A [unanimous member agreement](#) is most useful when a corporation has few members, since it can serve to dispense with the formal division of powers between directors and members by moving all decision-making to the membership level.

If a non-soliciting corporation has only one member, a written declaration of the sole member transferring the powers of the directors to that member is valid under the NFP Act.

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## Member Remedies

A remedy is a way for a member to ask a court to enforce a right or to address a problem with a corporation. Listed below are the remedies available to members under the NFP Act:

**Oppression Remedy**<sup>35</sup> – A complainant (which includes a member or former member) may apply for an oppression remedy on the basis that any act or omission of the corporation, or the exercise of the powers of the directors or officers of the corporation, is oppressive or unfairly prejudicial or unfairly disregards the interests of the member. The court may make any order it thinks fit, including an order:

- appointing directors in place of or in addition to the directors then in office;
- directing a corporation or any other person to pay a member all or part of the amount that the member paid for their membership; and
- compensating an aggrieved person. (Note: This remedy is not available to religious corporations that are successful in advancing a “faith-based defence” (i.e., if the court is satisfied that the corporation is a religious corporation, that the conduct in question is based on a tenet of faith held by the members of the corporation and that it was reasonable to base the conduct on a tenet of faith, having regard to the activities of the corporation).<sup>36</sup>)

**Derivative Action**<sup>37</sup> – A member may apply to the court for an order allowing the member to bring an action in the name of and on behalf of a corporation or to intervene in an action to which the corporation is party. This remedy is not available to religious corporations that are successful in advancing a “faith-based defence”.<sup>38</sup>

**Compliance or Restraining Order**<sup>39</sup> – A member may apply to a court for a compliance or restraining order:

- directing the corporation or any director, officer, employee, agent or mandatary<sup>40</sup>, public accountant, trustee, receiver, receiver-manager, sequestrator<sup>41</sup> or liquidator of a corporation to comply with the NFP Act, the regulations, the corporation’s articles, by-laws or a unanimous member agreement, or
- restraining any person from acting in breach of them.

Examples of situations in which such an order might be sought include the corporation failing to call an annual meeting of members as required under the NFP Act, or a soliciting corporation failing to have more than three directors on its board.

**Court ordered liquidation and dissolution on application of a member**<sup>42</sup> – A member may apply to the court for an order liquidating and dissolving a corporation or any of its affiliates if the court is satisfied that certain specified grounds exist. This could include situations where an act or omission of the corporation is oppressive or unfairly prejudicial to, or unfairly disregards the interests of any member, or where the court is satisfied that it is just and equitable that the corporation should be liquidated and dissolved. A faith-based defence is also available to religious corporations.

## Dispute Resolution

The NFP Act is silent on how disputes between members, or between a group of members and the directors, may be resolved.<sup>43</sup> A corporation may wish to address this issue by providing a mechanism in its by-laws for resolving disputes between members. Possible dispute resolution mechanisms include: information exchange; non-binding mediation; and binding arbitration. The corporation will need to decide what mechanism is best suited to its particular circumstances, taking into consideration such matters as the purposes of the corporation, its activities and the size and type of membership.

## Footnotes

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[1](#) NFP Act, s. 199(1).

[2](#) NFP Act, s. 161.

[3](#) NFP Act, s.162(2) and s. 272(1).

[4](#) NFP Act, s. 163(1).

[5](#) NFP Act, s. 163(6).

[6](#) Section 68 of the Regulations provides that the prescribed minimum amount of support is:

- 3% of the total number of memberships voted, if the proposal was raised at one annual meeting of members;
- 6% of the total number of memberships voted at its last submission to members, if the proposal was raised at two annual meetings of members; and
- 10% of the total number of memberships voted at its last submission to members, if the proposal was raised at three or more annual meetings of members.

[7](#) It should be noted that Section 167(1) allows the by-laws to stipulate a lower percentage of voting members.

[8](#) Section 68 of the Regulations provides that the prescribed minimum amount of support is

- 3% of the total number of memberships voted, if the proposal was raised at one annual meeting of members;
- 6% of the total number of memberships voted at its last submission to members, if the proposal was raised at two annual meetings of members; and
- 10% of the total number of memberships voted at its last submission to members, if the proposal was raised at three or more annual meetings of members.

[9](#) NFP Act, s. 7(4).

[10](#) NFP Act, s. 152.

[11](#) NFP Act s. 199(1).

[12](#) NFP Act, s. 21(1).

[13](#) Section 22(5) requires the statutory declaration to state the name and address of the applicant and, if the applicant is a corporation, its address for service. It must also state that the list of debt obligation holders or the information contained in the debt obligation register will not be used except as required by subsection (7) in connection with: (a) an effort to influence the voting of debt obligation holders of the corporation; (b) an offer to acquire debt obligations of the corporation; or (c) any other matter relating to the debt obligations or affairs of the corporation.

[14](#) NFP Act, s. 172 and Regs. s. 75 and s. 79.

[15](#) NFP Act, s. 175(1).

[16](#) NFP Act, s. 175(2).

[17](#) NFP Act, s. 266(1) and (2), Regs. s. 10.

[18](#) NFP Act, s. 36(1).

[19](#) NFP Act, s. 160.

- [20](#) NFP Act, s. 166.
  - [21](#) NFP Act s. 131(1).
  - [22](#) NFP Act s. 187(4).
  - [23](#) NFP Act, s. 162(1).
  - [24](#) NFP Act, s.162(2) and s. 272(1).
  - [25](#) NFP Act, s. 159(1)-(3).
  - [26](#) NFP Act, s.159(4)-(5).
  - [27](#) NFP Act, s. 171(1).
  - [28](#) NFP Act, s. 164, Regs s.70.
  - [29](#) NFP Act, s. 164, Regs s.70.
  - [30](#) NFP Act, s. 21.
  - [31](#) NFP Act, s. 7(4).
  - [32](#) NFP Act, s. 137.
  - [33](#) NFP Act, s. 166.
  - [34](#) NFP Act, s. 170.
  - [35](#) NFP Act, s. 253.
  - [36](#) NFP Act, s. 253(2).
  - [37](#) NFP Act, s. 251.
  - [38](#) NFP Act, s. 251(3).
  - [39](#) NFP Act, s. 259.
  - [40](#) In Quebec, a mandatary is an individual or a body corporate that has the power to represent another person according to a mandate contract. In provinces other than Quebec, the reference would be to an agent.
  - [41](#) In Quebec, the term "sequestrator" is used to reflect civil law concepts. In provinces other than Quebec, the term "receiver" is used to reflect common law concepts.
  - [42](#) NFP Act, s. 224.
  - [43](#) NFP Act, s. 158 and Part 16.
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