

## **Societies Act – Sections Coming Into Effect November 2018**

The following sections of the new BC Societies Act do not come into effect until November 2018

### **PART 5 – MANAGEMENT**

#### **Division 1 – Directors**

##### **Employment of directors**

- 41** A majority of the directors of a society must not receive or be entitled to receive remuneration from the society under contracts of employment or contracts for services, other than remuneration for being a director.

##### **Designation, election and appointment of directors**

- 42** (4) A designation, election or appointment of an individual as a director is invalid unless
- (a) the individual consents in writing to be a director of the society, or
  - (b) the designation, election or appointment is made at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

##### **Persons qualified to be directors**

- 44** (1) A person is qualified to be a director of a society only if the person is an individual who is at least 18 years of age.
- (2) Despite subsection (1), an individual who is 16 or 17 years of age is qualified to be a director of a society if provided for in the regulations.
- (3) Despite subsections (1) and (2), an individual is not qualified to be a director of a society if the individual is
- (a) found by any court, in Canada or elsewhere, to be incapable of managing the individual's own affairs,
  - (b) an undischarged bankrupt, or
  - (c) convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated entity, or of an offence involving fraud, unless
    - (i) the court orders otherwise,

- (ii) 5 years have elapsed since the last to occur of
  - (A) the expiration of the period set for suspension of the passing of sentence without a sentence having been passed,
  - (B) the imposition of a fine,
  - (C) the conclusion of the term of any imprisonment, and
  - (D) the conclusion of the term of any probation imposed, or
- (iii) a pardon was granted or issued, or a record suspension was ordered, under the *Criminal Records Act* (Canada) and the pardon or record suspension, as the case may be, has not been revoked or ceased to have effect.

#### **Remuneration and reimbursement of directors**

- 46** (1) Unless permitted by the bylaws, a society must not pay to a director of the society remuneration for being a director.
- (2) Subject to subsection (3), a society may reimburse a director for reasonable expenses necessarily incurred by the director in performing his or her duties as a director.
- (3) The bylaws of a society may restrict the reimbursement of a director under subsection (2) by doing one or more of the following:
- (a) imposing conditions on the payment of reimbursement;
  - (b) limiting the amount of reimbursement payable;
  - (c) prohibiting reimbursement.
- (4) Despite subsections (1) to (3), payment to a director by a society of remuneration or reimbursement authorized by the bylaws or this section is subject to any condition, limitation or prohibition on the payment provided for in the regulations.

#### **Senior managers**

#### **Division 6 – Senior Managers**

- 61** (3) A person who is not qualified under section 44 [*persons qualified to be directors*] to be a director of a society is not qualified to be a senior manager of the society.