

**Canadian Baptist Women of Ontario and Quebec
(currently the Baptist Women’s Missionary Society of Ontario and Quebec)**

EXECUTIVE SUMMARY

**Draft Articles of Amendment, General Operating By-Law No. 5 and Restated Articles
under the Ontario *Not-for-Profit Corporations Act***

April 15, 2024

Drafts of Articles of Amendment, General Operating By-law No. 5 and Restated Articles have been prepared for consideration at the 2024 Annual and Special Meeting of Members of the Canadian Baptist Women of Ontario and Quebec (“Corporation” or “CBWOQ”) to be held on May 4, 2024. The purpose of these draft documents is to transition the Corporation over to the new Ontario *Not-for-Profit Corporations Act* (“ONCA”).

The Board has been working with legal counsel, Carters Professional Corporation, to prepare these draft ONCA documents. This executive summary has been prepared to provide a summary of the key issues contained in the draft Articles of Amendment, General Operating By-law No.5 and Restated Articles for discussion. Members are encouraged to review these draft documents in their entirety.

The ONCA Transition Process

The Corporation was originally incorporated by the issuance of Letters Patent dated March 20, 1974 under Part III of the Ontario *Corporations Act*. Thereafter, the members of the Corporation enacted and later repealed General Operating By-laws No. 1, 2, and 3, and then enacted and later amended General Operating By-law No. 4, the current by-law.

The ONCA was proclaimed into force on October 19, 2021. This Act now automatically applies to all corporations previously under Part III of the OCA, including CBWOQ. Ontario corporations have three years from October 19, 2021 to undertake a transition process to bring their governing documents into compliance with the ONCA’s rules. Failure to complete the transition process would lead to non-compliant provisions in CBWOQ’s governing documents, thereby resulting in the governing documents being deemed (subject to a few exceptions listed in the ONCA) to be amended to comply with the ONCA at the end of three years. Such a situation would lead to difficulty and confusion for CBWOQ in determining which provisions are deemed to be amended and in what way.

The ONCA transition process involves the CBWOQ Board and Members approving Articles of Amendment and a new ONCA-compliant by-law. The CBWOQ Board passed resolutions approving the Articles of Amendment and General Operating By-law No. 5 at its meeting on April 8, 2024.

Once approved by the Members, the Articles of Amendment will be filed with the Ontario Government, which will issue a Certificate of Amendment, thereby bringing the Letters Patent into compliance with the ONCA. General Operating By-law No.5 will become effective upon adoption by the Members. Once the Articles of Amendment are issued, the Restated Articles will then be filed with the Province for issuance. The Restated Articles consolidate in a single document the remaining operative provisions in the Letters Patent and, once issued, the Articles of Amendment.

Draft Articles of Amendment

The draft Articles of Amendment replaces all information that is currently contained in the Corporation’s Letters Patent:

- Corporate Name Change – The Corporation was originally incorporated by letters patent dated March 20th, 1974, under the corporate name “Baptist Women’s Missionary Society of Ontario and Quebec”, although it has been operating for many years as “Canadian Baptist Women of Ontario and Quebec” under its business name registration. Given the greater name recognition for CBWOQ among our constituents and churches and given the similar move by many of the organizations we partner with across Canada and given that ONCA requires us to make a full-scale revision of all of our corporate documents, this is the opportune time to formally adopt the name.
- Corporate purposes – As part of the governance review, it was determined that the Corporation’s corporate purposes set out in the Letters Patent should be updated to better reflect the scope of CBWOQ’s programs and operations. It is proposed that they be replaced in the Articles of Amendment with the following revised purposes which have been drafted following a thorough review of CBWOQ’s current programs:

The purposes of the Corporation are:

To advance religion, specifically the Gospel of Jesus Christ and related truths of the Holy Bible, all in accordance with the Core Values of the Canadian Baptists of Ontario and Quebec, as amended from time to time, by doing the following:

- To unite women, teens, and children of our churches in prayer, study, spiritual development and service for the advancement of the Kingdom of God at home and abroad;
- To help promote missionary information in our churches;
- To participate in the evangelization of Canada through the discipleship of women towards faith-based missional living, ministry initiatives and leadership development, and of those areas overseas in which Canadian Baptist Ministries has work;
- To keep before the people in our churches the claims of missionary service as a life work;
- To support and maintain missions, together with missionaries and their work, and for the training and sending out of mission workers, both at home and abroad;
- To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom to further the charitable purposes of the Corporation and to make gifts to qualified donees with similar charitable purposes;
- To accept, receive and take by devise, bequest or gift and to hold, possess and enjoy, for the aforesaid purposes of the Corporation, donations, gifts, grants, devises and bequests of real and personal property of all kinds and upon such terms and conditions as the donor or donors of any such property may prescribe; and
- To engage in any other similar activities and in general to undertake all kinds of activities of a character connected with or incidental to any of the above purposes.
[Revisions]

- Number of Directors - The Board will continue to be composed of a minimum of nine (9) and a maximum of twelve (12) Directors as reflected in the draft Articles, with the minimum number reflecting CBWOQ’s current board contingent. This allows flexibility to elect the number of Directors within the range permitted. If CBWOQ wishes to change the number of Directors to something outside of this range in the future, the Articles will need to be amended.
- Classes of Members - The Corporation will be authorized to establish one (1) class of Members. Each Member shall be entitled to receive notice of, attend and cast one (1) vote at all meetings of Members. Membership is explained in more detail below in the discussion of the draft General Operating By-law No. 5.
- Mandatory Special Provisions – As a result of the new rules in the ONCA all of the special provisions set out in the 1974 Letters Patent will be deleted because they are outdated and will be replaced by the following five (5) mandatory provisions under the legislation:

- a) *Commercial purposes, if any, set out in the articles are intended to advance or support one or more of the non-profit purposes of the corporation. No part of a corporation's profits or of its property or accretions to the value of the property may be distributed, directly or indirectly, to a member, a director or an officer of the corporation except in furtherance of its activities.*
- b) *The corporation shall be subject to the Charities Accounting Act.*
- c) *No director shall receive remuneration for services provided in the capacity as a director, although they may be paid reasonable expenses incurred by them in the performance of their duties. Unless otherwise prohibited by the corporation, a director may be compensated for services other than as a director pursuant to the regulation made under the Charities Accounting Act, or with court approval or an order made under section 13 of the Charities Accounting Act.*
- d) *To invest the funds of the corporation pursuant to the Trustee Act.*
- e) *Upon the dissolution of the corporation and after satisfying the interests of its creditors in all its debts, obligations and liabilities, its remaining property shall be distributed to Canadian body corporate that is a registered charity under the Income Tax Act (Canada) with similar purposes to its own, the Crown in right of Ontario, the Crown in right of Canada, an agent of either those Crowns or a municipality in Canada.*

- **Custom Dissolution Clause** - Paragraph (e) of the mandatory special provision (above) governs how the net assets of the Corporation are to be distributed on dissolution or liquidation. The wording of that provision cannot be revised, and it reflects the lists of entities permitted under the ONCA to receive net assets of a public benefit corporation upon its dissolution. However, an additional, custom dissolution clause has been added in order to further restrict the recipient entity to be another registered charity that has similar charitable purposes and core values as those of the Corporation, rather than to the government.

Notwithstanding the mandatory dissolution clause required by the Ontario Not-for-profit Corporations Act, any property remaining on liquidation of the Corporation, after discharge of liabilities, shall be distributed or disposed of to one or more charities that are registered as such under the Income Tax Act (Canada), as amended from time to time, or equivalent designation under such legislation, and which have similar purposes and a similar statement of faith to those of the Corporation at the time of dissolution, provided that any special or restricted purposes trust funds held by the corporation shall be transferred to one or more new trustee(s) that are charities in Canada that are registered as such under the Income Tax Act (Canada) and have been appointed by the directors of the corporation to be applied in accordance with the applicable terms of trust.

- **Other Special Provision** – An additional special provision is inserted to require all by-laws, amendment or repeal of a by-law be confirmed by a special resolution (i.e., 2/3rd of the votes cast) of the members at a special membership meeting. This is intended to override the default mechanism in the ONCA which allows directors making, amending or repealing by-laws unilaterally prior to membership confirmation and the confusion of which by-law provisions are subject to a two-tier amendment mechanism.

Draft General Operating By-law No. 5

The ONCA contains many rules that are very different from the rules under the OCA. To comply with these new rules, a new draft General Operating By-law No. 5 has been prepared to replace the current General Operating By-law No. 4.

In addition, new provisions have been included in this draft By-law No. 5 to reflect good governance principles and better reflect how CBWOQ has been operating over the years. Please note that, due to the many technical changes included in accordance with the ONCA, it is not possible to set out all of the changes contained in draft By-law No. 5. Instead, the following is an overview of its key provisions, with Members being encouraged to review draft By-law No.5 in its entirety.

1. Members

Membership matters are set out in Section IV. The membership remains as a single class open membership. It has been restructured to have a more formal application process to be undertaken by interested applicants, as well as the Directors becoming members automatically following their election to the Board.

Existing members and others will have the choice to formally apply for and be admitted as corporate members or, alternatively, default into becoming “supporters” of the Corporation as a result of their participation in the Corporation’s ministry programs and activities. This change is to address the current challenges for the Corporation stemming from the large and amorphous number of current “members” for corporate record keeping purposes and to facilitate the provision of formal notice of Members’ meetings as required by the Act.

Section 4.01 provides for there to be one (1) class of Members, who must meet the applicable qualification conditions in Section 4.01 and the requirements for admission to membership in Section 4.02, including an annual application for membership/membership renewal. All Members are required to agree to further CBWOQ’s purposes, as well as agree to abide by the provisions in its articles, by-laws and policies. Membership rights include the right to receive notice of, attend, speak and participate at all meetings of Members and the right to (1) vote at all meetings of Members. This application process will replace the current requirement to register to vote ten (10) days in advance of a Members’ meeting.

The Membership term is annual, from February 1 in the applicable year to January 31 of the following year as provided in Section 4.04. Membership may be terminated in accordance with Section 4.06 for various reasons, including a failure to renew annual membership or a failure to maintain the qualification conditions in Section 4.01. Section 4.05 permits the collection of membership fees; however, this provision has been included to allow for future flexibility only. There is no intention to collect membership fees at this time.

2. Supporters

As part of the membership restructuring, a new category of non-members called “Supporters” has been provided in Section VI. The Supporters will be made up of those existing members, including the current life members, and others who do not make an application for formal membership in the Corporation, but who participate in the Corporation’s various ministry programs and activities and/or provide support to CBWOQ through volunteerism and/or donations. Supporters may attend the annual meeting of Members but will not have the right to participate in the discussions or the right to vote.

3. Members’ Meetings

Section V governs the conduct of Members’ meetings. The ONCA contains many rules on how to conduct Members’ meetings, including quorum of meetings, adjournment, waiving notice of meetings. It is not possible to provide an overview of these rules in this executive summary. The relevant provisions in the ONCA that apply to CBWOQ have been reflected in By-law No. 5. Key provisions include:

- a) Section 5.06 that provides Notice of Members’ meetings must be provided in writing between ten (10) to fifty (50) days before the Membership meeting. Notice of the annual Members’ meeting must also be given to the auditor and all Directors. Annual financial statements will be made available and sent out to the Members who have requested to receive them, at least five (5) days before an annual Members’ meeting.
- b) Section 5.12 that provides that thirty-five percent (35%) of Members will constitute quorum at Members’ meetings for most matters.
- c) Section 5.13 that provides the Board can decide whether to hold in-person, hybrid or virtual membership meetings.
- d) Section 5.03 that provides Special Members’ meetings may be called upon the requisition of 10% of the votes that may be cast at a meeting of Members. This is a statutory requirement not subject to change under the ONCA.

4. Board of Directors and Board Meetings

Section VII governs the composition, qualifications, nomination, election, term, removal and filling vacancies of Directors. The Board consists of a minimum of nine (9) and a maximum of twelve (12) Directors. The Directors are elected to the Board by the Members, as needed, at a meeting of Members.

Nominations of candidates for election as Directors may be made: (i) based on CBWOQ's nominations policies, (ii) by way of submitting a proposal as permitted by the ONCA, and (iii) from the floor at annual meetings as permitted by the ONCA provided that the advance notice requirements set out in Section 7.07 are met.

The ONCA gives the board the mandatory right to appoint Directors between annual meetings. However, the number of appointed Directors must not exceed one third of the number of Directors elected at the previous annual meeting of Members, and the Director(s) appointed in this manner can only hold office until the close of the next annual meeting of Members. See Section 7.05.

In accordance with the provisions of Section 7.04, all Directors, with the exception of the president, vice president, and past president who also serve as Officers, serve a three (3) year term, for a maximum of two (2) terms, following which there must be a minimum of a one (1) year absence before eligibility for re-election to the Board is restored. These terms of office for Directors are consistent with CBWOQ's current practices. A Director ceases to hold office as a Director when the person dies, resigns, is removed from office by a simple majority of the votes cast by the Members (which is new and reflects the ONCA's mandatory requirements) in accordance with Section 7.08, or no longer fulfils all of the qualifications to be a Director in Section 7.03.

The Board may appoint a managing Director or a committee of Directors, that may be referred to as the executive committee, as described in Section 7.14, and delegate any of the powers of the Board except those that may not be delegated pursuant to ONCA.

Since the Corporation is to be operated as a registered charity, it would not be permissible for any of its directors to receive any direct or indirect benefit from the charity because directors of a charity are considered to be quasi-trustees for purposes of managing and investing the charitable property of a charity. As a result, charities cannot pay members of their boards any form of remuneration for services rendered (including salary for services rendered) (even though the services are provided at a reasonable or below market cost).

Section VIII governs the conduct of Board meetings.

5. Officers

Section IX governs the offices, appointment, term, qualifications, filling vacancies and duties of Officers. The Officers continue to be the president and vice president, both of whom are Directors, the past president who is an ex officio Director, the secretary and treasurer, who may be but are not required to be Directors, and the Executive Director, who is an employee.

Section 9.03 provides Officers who are not employees shall hold their position for a period of two (2) years with no maximum term of office and, as such, will be eligible for re-appointment on a consecutive basis. Officers who are employees shall hold the office at the discretion of the Board.

6. Other Matters

Section III governs financial matters. The governance structure and the appointment of auditor differs depending on whether the Corporation is a public benefit corporation as defined in the ONCA. Since the Corporation is a registered charity, it is a public benefit corporation. As such, the features for public benefit corporations will apply to the

Corporation, including the rules governing the appointment of auditor and the level of review of financial statements for public benefit corporations. The detailed rules on when a public accountant must be appointed and when an audit may be waived are set out in Section 3.03. The Corporations' financial year end shall continue to be December 31 in each year.

Sections 10.02 to 10.04 govern the protection of Directors and Officers, including limitation of liabilities and indemnities as permitted by the ONCA.

Section 12.01 provides that, in accordance with ONCA requirements, amendments to the Articles will require a special resolution (i.e., two-thirds of the votes cast) of the Members. The same approval threshold by the Members is required for amendments to the by-laws as set out in Section 12.02.

Section 13 sets out transitional provisions regarding how the Members, Officers and Directors would transition under the ONCA.

Informal Information Session

To assist Members with understanding the ONCA process and documentation, the Board will host an **Informal Information Session via zoom on April 29, 2024 at 7:00 p.m. EDT**. The call-in details for that zoom meeting are included on the website.