

**INFORMATION FOR MEETING OF MEMBERS**

Copy to:	
Date:	September 2024
Re:	Changes required by the <i>Ontario Not-for-Profit Corporations Act</i>

The *Ontario's Not-for-profit Corporations Act* (“ONCA”) came into effect on October 19, 2021. ONCA serves as the primary legislative framework for most not-for-profit organizations in Ontario, including FUSION. ONCA replaced the outdated provisions in the previous Act which governed the affairs of FUSION called the *Corporations Act* (Ontario). ONCA modernizes the governance processes for non-profits, aligning them more closely with their distinct purposes, activities, and operations. ONCA contains mandatory provisions, including rules for “public benefit corporations” (charitable corporations) such as FUSION, alongside optional provisions for tailored governance. There is a deadline of October 18, 2024 for organizations governed by the Act, such as FUSION, to update their governing documents (letters patent/articles and by-laws) to comply with the Act.

ONCA provides that following October 18, 2024, the mandatory provisions of ONCA will supersede any of the inconsistent provisions in an organization’s letters patent/articles or by-laws. At the upcoming annual general meeting, Members are being asked to approve changes proposed to the existing letters patent/articles and General By-law of FUSION. The changes to be approved ensure that the letters patent/articles and General By-law of FUSION comply with ONCA. In addition, the proposed changes are intended to make the balance of the letters patent/articles and General By-law of FUSION consistent with the new more modern and updated provisions of ONCA. This will avoid inconsistency and confusion in FUSION’s governance processes going forward. This will also minimize the risk/concern that a decision or action taken pursuant to the provisions of the existing letter patent/articles or General By-law may be invalid because the provision is different from or inconsistent with the relevant provision in ONCA.

**Amendments to Letters Patent/Articles of FUSION**

The provisions in ONCA described below require that the existing letters patent/articles of FUSION which have been previously amended over the years again be amended. The Members

are being asked at the meeting to pass special resolutions approving amendments to the Articles described below. To be effective, the special resolutions will be required to be passed by at least two-thirds of the votes cast by Members on the special resolution.

**Membership Conditions:** FUSION has more than one class or category of Members. The different classes of Members and a description of the rights of each class are currently described in the General By-law. ONCA requires that where an organization has more than one class or category of Members, the various classes of Members and the voting rights of each class must be included in the articles. Therefore, the Members are being asked to approve an amendment to the articles of FUSION to list the various classes of Members and setting out the voting rights of each class.

**Minimum and Maximum Number of Directors:** The existing articles of FUSION do not specify the number of Directors to be elected to the Board. The General By-law of FUSION does provide that the Board shall consist of no fewer than five and no more than 21 Directors. The Board is recommending that this be changed to provide that the Board consist of no fewer than five and no more than 15 Directors. Under ONCA, the number of Directors or the minimum and maximum number of Directors to be elected by the Members are to be specified in the articles. Accordingly, it is proposed that the articles be amended to provide that the Board consist of no fewer than five and no more than 15 Directors.

The specific number of Directors to be elected by the Members within such minimum and maximum number is determined by the Members, or by the Board if a special resolution of the Members so permits. This simply means that the Members may delegate to the Board the ability to determine the size of the Board from time to time. Permitting the Board to set the number of Directors to be elected by the Members within the minimum and maximum number specified in the articles is administratively more convenient and avoids the need to call a Members' meeting to pass a special resolution each time the number changes.

Therefore, Members are being asked to approve an amendment to the articles of FUSION to confirm that the Board of FUSION shall consist of a minimum of five and maximum of 15 Directors and are also being asked to pass a special resolution specifying that the number of Directors to be elected at this meeting is three (renewal term for two directors and one new director) each with a term of two years and to give the Board the authority to determine, from time to time, the number of

Directors to be elected by the Members within such minimum of five and maximum of 15 Directors specified in the articles.

**Amendments to the General By-law of FUSION:**

The Board has reviewed and approved the amendments to the General By-law of FUSION contained in the document posted on the FUSION Member website at <https://www.clayandglass.on.ca/annual-report>. The changes to the existing General By-law made by this proposed General By-law have been marked for review. As noted above, these changes update the General By-law of FUSION to ensure that it complies with and is consistent with the provisions in ONCA and also to modernize various of its provisions (for example, meetings and voting by electronic and other technological means).

Members are being asked at the meeting to confirm by ordinary resolution, the amendments to the General By-Law approved by the Board. This will require the ordinary resolution being passed by at least a majority of the votes cast by Members on the resolution.

**Form of Resolutions**

The resolutions which the Members are being asked to approve are posted on FUSION Member website at <https://www.clayandglass.on.ca/annual-report>.

Please contact Catharina Goldnau, President, if you have any questions prior to the Meeting.