

Powers, Responsibilities and Liabilities of Directors

The powers, responsibilities and liabilities of directors *under The Non-profit Corporations Act, 1995* are set out below. The appropriate section of the Act is listed at the end of each point.

1. Power to manage activities and affairs of the Corporation **Section 88**
2. Power to make bylaws **Subsection 90(1)**
 - However, this power can be reserved for members only **Subsection 90(1)**
 - Must submit bylaws to members for ratification **Subsection 90(2)**
3. Qualifications of Directors. The following persons (individuals) are disqualified from being a director:
 - (1) anyone under 18;
 - (2) anyone found of unsound mind by a court;
 - (3) anyone who has the status of a bankrupt. **Section 92**
4. Election and Terms of Office. Directors are elected for a one year term, unless articles provide otherwise. **Section 93**
5. Directors cease to hold office if:
 - a) they die or resign;
 - b) the individual is removed in accordance with section 96;
 - c) the individual became disqualified under section 92. **Section 95**
6. Removal of Directors. May be revoked from office by ordinary resolution of members at a special meeting of members **Section 96**
7. Filling Vacancies on the Board of Directors. Unless the articles otherwise provide, the directors may fill a vacancy among the directors. **Section 98**
8. Delegation of Authority. Directors may delegate some of their powers to a Managing Director or committee of Directors. **Section 102**
9. Liability of Directors.
 - (a) Specific liability for wrong payments under sections 25, 27, 30, 111, 177 or 225. **Section 105**
 - (b) Directors are jointly and severally liable for wages. **Section 106**
10. Disclosure of interest of a director in a contract **Section 107**

11. Directors have the ability to designate the offices and appoint the officers of the corporation. **Section 108**
12. Directors and officers have the duty to act honestly and with good faith; duty of care and to exercise the diligence and skill of a reasonably prudent person; duty to comply with the act, Regulations and Bylaws. **Section 109**
13. Directors are deemed to consent to resolutions passed unless they dissent and can rely on reports produced by credible professionals. **Section 110**
14. Remuneration and Employees
 - (a) Unless the articles provide otherwise, directors and officers are entitled to reasonable remuneration for their services to the corporation and indemnification of expenses.
 - (b) Subject to the Articles, directors may fix the remuneration of directors, officers and employees of the corporation. **Section 112**
15. Admission of Members. Subject to the Articles or bylaws, the directors may admit members to the corporation. **Section 115**
16. Power of Discipline. If the articles so provide, the directors, members or committee of directors or members have the power to discipline or terminate a member. The circumstances for exercise of this power is required. **Section 119**
17. Directors are to approve financial statements. **Section 145**
18. Directors are to make copies of financial statements available to the members. **Section 146**
19. Audit Committee. A charitable corporation that solicits money from the public shall appoint an audit committee to review the financial statements before they are approved by the directors under section 145. **Section 159**