

## Membership in Spider Lake Springs Campers Association (Society) and Voting Rights

Spider Lake Springs Holding Inc. (the Company)  
Spider Lake Springs Campers Association (the Society)

The *Societies Act* requires only one vote per member, and the Society Bylaws cannot override this statutory requirement. The Society (members) and the Company (shareholders) are tied together because that is what was decided when these entities were formed, and this is set out in the shareholder agreement.

Section 84(2) of the *Societies Act* sets out that “(a) voting member of a society has only one vote”. There seems to be some confusion between a shareholder/owner, which is a person that owns shares in the Company, and the Society. The Company and the Society are two separate but related entities.

The Company is an entity that has shareholders, and each shareholder owns one or more shares. Owning shares in the Company is what entitles a shareholder to be a member of the Society, as per paragraph 2.8 of the Bylaws (of the Society). The number of shares an individual owns in the Company is irrelevant, as it is the fact that an individual owns at least one share that provides membership qualification to the Society. Shareholders of the Company and Members of the Society are not the same thing, though they do overlap. An individual must be a shareholder of the Company to qualify as a member of the Society.

The Society is composed of members, and each member by law may only have one vote. The shares of the Company and membership rights to the Society are tied together because the Company has designated the Society to make decisions per the shareholders agreement.

For example, the Company can be imagined as a pie, while the Society can be imagined as a house with rules to get a key. Individuals can own a piece of the pie, or they might own multiple pieces of the pie. An individual who owns any pie gets a key to the house. If they own two pieces of the pie or more, they still only get one key to the house. More keys would not make a difference because it is the individual who votes, not the key, the key is simply what allows for entrance. The house is filled with individual persons (members) whose shares let them enter, and once they have entered each individual gets one vote. As such, the number of ‘keys’ does not change how many people are in the house.

Because there are two separate entities (the Company and the Society), it may be a little confusing to separate the two ideas. We have provided the above analogy to hopefully illustrate the differences between the Company and the Society.

Heath Law