

Part 1 — Interpretation

Definitions

1.1 [This section is unchanged, but for a new definition]

“Local Government Act” means the *Local Government Act*, R.S.B.C. 2015, c 1.

Part 10 — Election and Removal of Directors

Number of directors

10.1 The number of directors will be up to a maximum that is equal to the number of directors on the Capital Regional District Board from time to time. The shareholders will elect or appoint those persons who are directors of the Capital Regional District from time to time as the Directors.

Election of directors

10.2 At a special meeting of the shareholders or at the annual general meeting the shareholders and/or the Chair of the Capital Regional District shall announce the appointment of a board of directors consisting of the number of directors for the time being required under these articles.

Failure to elect or appoint directors

10.3 If the Company fails to hold a meeting in accordance with Article 10.2, the directors then in office continue to hold office until the date on which they otherwise cease to hold office under these articles.

Consent to be a director

10.4 No election, appointment or designation of an individual as a director is valid unless that individual consents to be a director in the manner provided for in the *Business Corporations Act*.

Directors' acts valid despite vacancy

10.5 An act or proceeding of the directors is not invalid merely because fewer than the number of directors required by Article 10.1 are in office.

Ceasing to be a director

10.6 A director ceases to be a director when:

- (a) the director ceases to be a director of the Capital Regional District;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to article 10.7.

Removal of directors

10.7 The Shareholders may remove any director before the expiration of his or her term by special resolution.

Alternate directors

10.8 Each director may have an alternate director, who is empowered to exercise the powers of a director at meetings or committees of the Company where the director is absent. The alternate director shall be the individual who is the absent director's alternate on the board of the Capital Regional District, pursuant to ss. 200 and 201 of the *Local Government Act*. Without limiting the powers set out in the *Local Government Act*, at any meeting or committee of the directors, each

alternate director is entitled to attend and vote, is counted in quorum, and may sign any resolutions to be consented to in writing and generally perform all matters for the relevant absent director. Each alternate director is deemed not to be the agent of his or her absent director. The appointment of the alternate director is automatic.

Ceasing to be an alternate director

- 10.9** The alternate director's status ends when their status as an alternate for the absent director on the board of the Capital Regional District ends under the *Local Government Act*.

Reimbursement of expenses of directors

- 10.10** The Company must reimburse each director and alternate director for the reasonable expenses that he or she may incur in and about the business of the Company.

No Remuneration to directors

- 10.11** The directors and alternates shall serve as directors and officers of the Company without compensation and no director or alternate shall directly or indirectly receive any profit from a position as a director or officer; provided that a director or alternate may be paid reasonable expenses in the performance of his or her duties as a director of the Company.

Chair of Meetings

- 12.2** The chair and vice-chair of the board shall be elected from among the directors, at the initial meeting of the directors following the annual meeting of the shareholders at which the appointment of the directors is announced.

Voting At Meetings

- 12.3** Questions arising at any meeting of directors are to be decided by a majority of votes and, in case of an equality of votes, the chair of the meeting does not have a second casting vote.

Quorum

- 12.7** The quorum necessary for the transaction of the business of the directors is fixed at a majority of all the directors.

Part 16 — Dividends

Declaration of dividends

- 16.1** The Company shall be restricted from declaring and authorizing, and the Directors may not declare and authorize, payment of dividends.

Part 18—Company Restrictions

Restrictions on business

- 18.1** The Company is restricted from carrying on any business except:
- (a) the purchase, lease, acquisition, sale, management, mortgaging and rental of real and personal property to be used in connection with public housing for low (or low and moderate) income households;
 - (b) the carrying out of activities of housing research, housing planning, community liaison and participation in joint public and private partnerships for the purpose of financing housing projects for low (or low and moderate) income households; and
 - (c) the establishment and maintenance of a Statutory Reserve Fund to provide funding for such housing initiatives.

Restricted powers

18.2 The Company is restricted from exercising the following powers:

- (a) the power to pay or transfer to the shareholders by way of dividend, bonus or otherwise any of the income or property of the Company;
- (b) the power to allot, issue or transfer any shares of its capital to any person other than a municipality, including a regional district incorporated under the *Local Government Act*, or an agency of a Municipality.

Winding up or dissolution

18.3 If upon a winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever of the Company that is subject to any operating agreements or land leases, such property shall be transferred in accordance with such agreements and leases, and all other property remaining shall not be paid to or distributed among the shareholders as such but shall be held or used for public housing in the Capital Regional District as constituted from time to time and the Capital Regional District shall distribute such public housing at their discretion.