

SUBJECT VI MANAGEMENT OF CORPORATION

I. Directors

A. Definition

B. Qualifications

1. Anybody can be a Director except:
s.105(1)

- A. Unless under 18
- B. Not apt (mentally etc.)
- C. Legal persons (e.g. corporation)
- D. Under bankruptcy

I. Directors

A. Definition

B. Qualifications

2. Further Requirements

s.105(2) Not required to own shares (although it is preferable)

(3) 25% must be Canadian residents, and min (1) if less than (4)

(3.1) If restricted industry; must be majority Canadian

I. Directors

C. Powers

s. 102 (1) **Manage and supervise**

- Subject to shareholders agreement
- Need min 1 director, or 3 if:
 - distributing (public) and more than 1 shareholder (s.102[2])
 - if three, two cannot be officers/employees of Inc

s. 103 (1) **Manage by-laws**

- Directors can make, amend, or repeal
- Must submit to shareholders for approval (s.103[2])
- Rejected proposals can't be resubmitted (s.103[4])

s. 104 (1) **Hold organizing meeting**

- Must give 5 days notice (s.104[3])
- See s.104(1)

I. Directors

D. Election to Withdraw

s. 106 Elections and appointments

1. First board of directors are appointed when filing original articles of In.
2. Initial terms end once the first shareholder meeting convenes
3. Shareholders vote the Board Directors with a term of no more than 3 annual meetings (which can actually run 1 year and 3 months)
4. If no term is stated, then it ends at the next meeting
5. Vacancies don't hinder exercise of power (don't dilute power)
6. Can appoint directors mid-term when:
 - a. the articles provide;
 - b. at the next shareholders meeting
 - c. obviously, need to meet minimum criteria (like Canadian citizen min.)
 - d. not more than 1/3 of the board can be replaced

I. Directors

D. Election to Withdraw

s. 108 (1) **Cease to hold office** when:

- A. die or resign
- B. removed via s.109
- C. disqualified under s.105(1)

I. Directors

D. Election to Withdraw

s. 109 Removal and resignations of BD

1. can remove at special meeting (don't have to wait for yearly) shareholder meeting
2. holder of exclusive vote
3. can replace at same meeting
4. mass vacancy: managers become acting directors
 - Except: controlled manager (someone that was appointed by a shareholder), a professional (lawyer, CPA etc), or a trustee

I. Directors

E. Shareholder Meetings

s. 110 (1) **Right to attend shareholder meeting**

- directors must be notified and allowed to speak at the shareholders meeting

(2) **Right to statement**

- can explain why they are resigning or defend themselves against termination

I. Directors

F. Meetings

s. 114(1) **Meet anywhere**

- unless set by articles or by-laws

(2) **Quorum**

- need either a majority of shareholders or a minimum set by articles or by-laws

(3) **Quorum Restriction**

- need 25% or majority Canadian residents under s.105(3)/(3.1)

I. Directors

F. Meetings

s.116 **Acts** by unqualified BD

** They are Valid **

s.117 **Resolution in lieu** of meeting

- need resolution signed by all the board of directors

Directors Resolutions

RESOLUTIONS OF THE BOARD OF DIRECTORS OF 0000000 CANADA INC.

EFFECTIVE DATE: OCTOBER 31ST, 2011

FINANCIAL STATEMENTS

IT IS RESOLVED to approve the financial statements of the Corporation for the year ended August 31st, 2011 accompanied by comparative statements for the immediately preceding financial year, if any, including the balance sheet, the statement of income and retained earnings and a statement of changes in financial position along with the review engagement report signed by the Corporation's Accountant. It is also resolved to authorize the President to sign the financial statements for and on behalf of the Board of directors.

APPOINTMENT OF THE ACCOUNTANT

IT IS RESOLVED that XYZ & Associates, Chartered Accountants be and are hereby appointed accountant of the Corporation, for the next financial year.

APPOINTMENT OF OFFICERS

IT IS RESOLVED to appoint the following persons as officers of the Corporation to occupy the offices indicated beside their name:

NAME	OFFICE OR DUTY
JOHN SMYTH	PRESIDENT & SECRETARY-TREASURER

INSERTION IN THE CORPORATE BOOK

IT IS RESOLVED to keep a copy of the above-mentioned resolution in the corporate book, in conformity with the Canada Business Corporations Act.

VALIDITY

I, the undersigned, being the sole director of the Corporation entitled to vote, hereby sign these resolutions so that they shall have the same value as if they had been adopted at a meeting of the Board of directors, in accordance with the Canada Business Corporations Act.

John Smyth, director

I. Directors

G. Dissenting

s.123 (1) **BD present**



(2) **BD who votes**



(3) **Absent BD**



II. Officers

A. Definition

s. 2 From Chair of the BD and further down

B. Appointment & Powers

s. 121 **BD appoints** and empowers



s. 116 **Acts** by unqualified Officer



III. Shareholders

A. Meeting Place

s. 132 (1) Anywhere in Canada set by By-laws

(2) Outside Canada if in Articles and
voted by members

(4) Participate from a distance

(5) Meeting in electronic form

III. Shareholders

B. Calling Meetings

1. By BD

s. 133 (1) **Annual meetings**



(2) Special meetings



(3) Can ask court for extension

III. Shareholders

B. Calling Meetings

2. By Shareholders

s. 143 (1) **Requisition meeting**



(4) Failure



III. Shareholders

B. Calling Meetings

3. By Court

s. 144 (1)



III. Shareholders

C. Notice of Meeting

s. 134 Fixing record date



III. Shareholders

C. Notice of Meeting

s. 135 (1) Notice

- Must send notice min. 21 / max 60 days prior to meeting (reg. 44)
- Exceptions:



III. Shareholders

D. Meeting Proposals

s. 137 (1) Can submit proposal



III. Shareholders

E. Quorum

s. 139 

III. Shareholders

F. Voting

s. 140 (1) Right to one vote per share

s. 141 (1) Public and electronic voting

- unless ballot requested



III. Shareholders

G. In Lieu of Meeting

s. 142 (1) Resolution rather than meeting



Shareholders Resolutions

RESOLUTIONS OF THE SHAREHOLDERS OF 000000 CANADA INC.

RE: ANNUAL MEETING

EFFECTIVE DATE: OCTOBER 31ST, 20011

FINANCIAL STATEMENTS

IT IS RESOLVED to approve the financial statements of the Corporation for the year ended August 31st, 20011 accompanied by comparative statements for the immediately preceding financial year including the balance sheet, the statement of income and retained earnings and a statement of changes in financial position along with the review engagement report signed by the Corporation's Accountant.

ELECTION OF DIRECTORS

IT IS RESOLVED to elect the following persons as the directors of the Corporation:

JOHN SMYTH

RATIFICATION

IT IS RESOLVED to ratify and to confirm all the acts, contracts, resolutions, appointments or other decisions of the directors as well as any by-laws that have adopted since the previous annual meeting of shareholders.

DECISION NOT TO APPOINT AN AUDITOR

IT IS RESOLVED not to appoint an auditor in accordance with the Canada Business Corporations Act. This resolution shall be valid only until the next annual meeting of the shareholders.

INSERTION IN THE CORPORATE BOOK

IT IS RESOLVED to keep a copy of the above-mentioned resolutions in the corporate book, in conformity with the Canada Business Corporations Act.

VALIDITY

We, the undersigned, being all the shareholders of the Corporation entitled to vote, hereby sign these resolutions so that they shall have the same value as if they had been adopted at an annual meeting of shareholders, in accordance with the Canada Business Corporations Act.

John Smyth

Sally Smyth

We, the undersigned, hereby agree to serve as directors of the Corporation until the end of the term for which we have been elected.

Name _____
John Smyth

Date: Oct. 31st, 2011

III. Shareholders

H. Court Review

s. 145 

III. Shareholders

I. Pooling Agreements

s. 145.1



VI. Shareholders Resolutions

Ordinary versus Special Resolution

s. 2(1) Ordinary = simple majority

Special = 2/3

- By-law change:



- Fundamental changes:



- Change in class shares:



V. Shareholders Agreement

s. 146

