

**SONOMA PINES HOMEOWNERS MANAGEMENT LTD.**  
(the "Company")

**ARTICLES**

**INDEX**

<b>1.</b>	<b>INTERPRETATION</b>	8
1.1	Definitions	8
1.2	<i>Business Corporations Act</i> and <i>Interpretation Act</i> Definitions Applicable	8
<b>2.</b>	<b>SHARE AND SHARE CERTIFICATES</b>	8
2.1	Authorized Share Structure	8
2.2	Form of Share Certificate	9
2.3	Shareholder Entitled to Certificate or Acknowledgment.	9
2.4	Delivery by Mail	9
2.5	Replacement of Worn Out or Defaced Certificate or Acknowledgement	9
2.6	Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment	9
2.7	Splitting Share Certificates	10
2.8	Certificate Fee	10
2.9	Recognition of Trusts	10
<b>3.</b>	<b>ISSUE OF SHARES</b>	10
3.1	Directors Authorized	10
3.2	Commissions and Discounts	10
3.3	Brokerage	10
3.4	Conditions of Issue	11
3.5	Share Purchase Warrants and Rights	11
3.6	Allotting Shares	11
<b>4.</b>	<b>SHARE REGISTERS</b>	11
4.1	Central Securities Register	11
4.2	Closing Register	12
<b>5.</b>	<b>SHARE TRANSFERS</b>	12
5.1	Registering Transfers	12
5.2	Form of Instrument of Transfer	12
5.3	Transferor Remains Shareholder	12
5.4	Signing of Instrument of Transfer	12
5.5	Enquiry as to Title Not Required	13
5.6	Transfer Fee	13
<b>6.</b>	<b>TRANSMISSION OF SHARES</b>	13
6.1	Legal Personal Representative Recognized on Death	13

6.2	Rights of Legal Personal Representative	13
<b>7.</b>	<b>PURCHASE OF SHARES</b>	13
7.1	Company Authorized to Purchase Shares	13
7.2	Purchase When Insolvent	14
7.3	Sale and Voting of Purchased Shares	14
<b>8.</b>	<b>BORROWING POWERS</b>	14
<b>9.</b>	<b>ALTERATIONS</b>	14
9.1	Alteration of Authorized Share Structure	14
9.2	Special Rights and Restrictions	15
9.3	Change of Name	15
9.4	Other Alterations	15
<b>10.</b>	<b>MEETINGS OF SHAREHOLDERS</b>	15
10.1	Annual General Meetings	15
10.2	Resolution Instead of Annual General Meeting	16
10.3	Calling of Meetings of Shareholders	16
10.4	Notice for Meetings of Shareholders	16
10.5	Record Date for Notice	16
10.6	Record Date for Voting	16
10.7	Failure to Give Notice and Waiver of Notice	17
10.8	Notice of Special Business at Meetings of Shareholders	17
10.9	Meeting Held Electronically	17
10.10	Meeting May Be Held by Restricted Proxy	17
<b>11.</b>	<b>PROCEEDINGS AT MEETINGS OF SHAREHOLDERS</b>	19
11.1	Special Business	19
11.2	Special Majority	19
11.3	Quorum	20
11.4	One Shareholder May Constitute Quorum	20
11.5	Other Persons May Attend	20
11.6	Requirement of Quorum	20
11.7	Lack of Quorum.	20
11.8	Lack of Quorum at Succeeding Meeting	20
11.9	Chair	21
11.10	Selection of Alternate Chair	21
11.11	Adjournments	21
11.12	Notice of Adjourned Meeting	21

11.13	Decisions by Show of Hands or Poll	21
11.14	Declaration of Result	21
11.15	Motion Need Not be Seconded	22
11.16	Casting Vote	22
11.17	Manner of Taking Poll	22
11.18	Demand for Poll on Adjournment	22
11.19	Chair Must Resolve Dispute	22
11.20	Casting of Votes	22
11.21	Demand for Poll	23
11.22	Demand for Poll Not to Prevent Continuance of Meeting	23
11.23	Retention of Ballots and Proxies	23
<b>12.</b>	<b>VOTES OF SHAREHOLDERS</b>	<b>23</b>
12.1	Number of Votes by Shareholder or by Shares	23
12.2	Votes of Persons in Representative Capacity	23
12.3	Votes by Joint Holders	23
12.4	Legal Personal Representatives as Joint Shareholders	24
12.5	Representative of a Corporate Shareholder	24
12.6	Proxy Provisions Do Not Apply to All Companies	24
12.7	Appointment of Proxy Holders	24
12.8	Alternate Proxy Holders	25
12.9	When Proxy Holder Need Not Be Shareholder	25
12.10	Deposit of Proxy	25
12.11	Validity of Proxy Vote	25
12.12	Form of Proxy	26
12.13	Revocation of Proxy	26
12.14	Revocation of Proxy Must Be Signed	26
12.15	Production of Evidence of Authority to Vote	27
12.16	Some Provisions Hereof Do Not Apply to a Restricted Proxy	27
<b>13.</b>	<b>DIRECTORS</b>	<b>27</b>
13.1	First Directors; Number of Directors	27
13.2	Change in Number of Directors	27
13.3	Directors' Acts Valid Despite Vacancy	27
13.4	Qualifications of Directors	28
13.5	Remuneration of Directors	28
13.6	Reimbursement of Expenses of Directors	28
13.7	Special Remuneration for Directors	28
13.8	Gratuity, Pension or Allowance on Retirement of Director	28

<b>14. ELECTION AND REMOVAL OF DIRECTORS</b>	28
14.1 Election at Annual General Meeting	28
14.2 Consent to be a Director	29
14.3 Failure to Elect or Appoint Directors	29
14.4 Places of Retiring Directors Not Filled	29
14.5 Directors May Fill Casual Vacancies	30
14.6 Remaining Directors Power to Act	30
14.7 Shareholders May Fill Vacancies	30
14.8 Additional Directors	30
14.9 Ceasing to be a Director	30
14.10 Removal of Director by Shareholders	31
14.11 Removal of Director by Directors	31
<b>15. ALTERNATE DIRECTORS</b>	31
15.1 Appointment of Alternate Director	31
15.2 Notice of Meetings	31
15.3 Alternate for More Than One Director Attending Meetings	31
15.4 Consent Resolutions	32
15.5 Alternate Director Not an Agent	32
15.6 Revocation of Appointment of Alternate Director	32
15.7 Ceasing to be an Alternate Director	32
15.8 Remuneration and Expenses of Alternate Director	32
<b>16. POWERS AND DUTIES OF DIRECTORS</b>	33
16.1 Powers of Management	33
16.2 Appointment of Attorney of Company	33
<b>17. DISCLOSURE OF INTEREST OF DIRECTORS</b>	33
17.1 Obligation to Account for Profits	33
17.2 Restrictions on Voting by Reason of Interest	33
17.3 Interested Director Counted in Quorum	33
17.4 Disclosure of Conflict of Interest or Property	34
17.5 Director Holding Other Office in the Company	34
17.6 No Disqualification	34
17.7 Professional Services by Director or Officer	34
17.8 Director or Officer in Other Corporations	34
<b>18. PROCEEDINGS OF DIRECTORS</b>	34
18.1 Meetings of Directors	34
18.2 Voting at Meetings	34

18.3 Chair of Meetings	35
18.4 Meetings by Telephone or Other Communications Medium	35
18.5 Calling of Meetings	35
18.6 Notice of Meetings	35
18.7 When Notice Not Required	35
18.8 Meeting Valid Despite Failure to Give Notice	36
18.9 Waiver of Notice of Meetings	36
18.10 Quorum	36
18.11 Validity of Acts Where Appointment Defective	36
18.12 Consent Resolutions in Writing	36
<b>19. EXECUTIVE AND OTHER COMMITTEES</b>	<b>37</b>
19.1 Appointment and Powers of Executive Committee	37
19.2 Appointment and Powers of Other Committees	37
19.3 Obligations of Committees	37
19.4 Powers of Board	38
19.5 Committee Meetings	38
<b>20. OFFICERS</b>	<b>38</b>
20.1 Directors May Appoint Officers	38
20.2 Functions, Duties and Powers of Officers	38
20.3 Qualifications	39
20.4 Remuneration and Terms of Appointment.	39
<b>21. INDEMNIFICATION</b>	<b>39</b>
21.1 Definitions	39
21.2 Mandatory Indemnification of Directors and Former Directors	39
21.3 Indemnification of Other Persons	40
21.4 Non-Compliance with <i>Business Corporations Act</i>	40
21.5 Company May Purchase Insurance	40
<b>22. DIVIDENDS</b>	<b>40</b>
22.1 Payment of Dividends Subject to Special Rights	40
22.2 Declaration of Dividends	40
22.3 No Notice Required	41
22.4 Record Date	41
22.5 Manner of Paying Dividend	41
22.6 Settlement of Difficulties	41
22.7 When Dividend Payable	41

22.8 Dividends to be Paid in Accordance with Number of Shares	41
22.9 Receipt by Joint Shareholders	41
22.10 Dividend Bears No Interest	41
22.11 Fractional Dividends	42
22.12 Payment of Dividends	42
22.13 Capitalization of Surplus	42
<b>23. DOCUMENTS, RECORDS AND REPORTS</b>	<b>42</b>
23.1 Recording of Financial Affairs	42
23.2 Inspection of Accounting Records	42
<b>24. NOTICES</b>	<b>42</b>
24.1 Method of Giving Notice	42
24.2 Deemed Receipt of Mailing	43
24.3 Certificate of Sending	43
24.4 Notice to Joint Shareholders	43
24.5 Notice to Trustees	43
<b>25. SEAL</b>	<b>44</b>
25.1 Who May Attest Seal	44
25.2 Sealing Copies	44
25.3 Mechanical Reproduction of Seal	44
<b>26. PROHIBITIONS</b>	<b>45</b>
26.1 Definitions	45
26.2 Application	45
26.3 Consent Required for Transfer of Shares or Designated Securities	45
<b>27. SPECIAL RIGHTS AND RESTRICTIONS</b>	<b>45</b>
27.1 Class "A" Common Voting Shares	45
27.2 Class "B" Common Voting Shares	46
27.3 Transfer of Class "A" Common Voting Shares	46
27.4 Restrictions on Business	46
27.5 Harmonization with Strata Property Act	47
27.5.1 Directors	47
27.5.2 Operating Fund and Contingency Reserve Fund	48
27.5.3 Management of Contingency Reserve Fund	48
27.5.4 Restrictions on Expenditures	48
27.5.5 Assessments	50
27.5.6 Budget Requirements	51

27.5.7 Special Levies	52
27.5.8 Multi-family Implied Easements	53
27.5.9 Repair and Maintenance of Property by the Company	56
27.5.10 Insurance	56
27.6 Rules and Regulations	57

# SONOMA PINES HOMEOWNERS MANAGEMENT LTD.

(the "Company")

Incorporation No. BC0710228

## ARTICLES

The Company has as its articles the following articles:

### 1. INTERPRETATION

#### 1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (b) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) "legal personal representative" means the personal or other legal representative of the shareholder;
- (d) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (e) "seal" means the seal of the Company, if any;
- (f) Sonoma Pines Homeowners Management Ltd. is a non-profit company responsible for the management of a residential development. *New 2021*

#### 1.2 *Business Corporations Act and Interpretation Act Definitions Applicable*

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

### 2. SHARES AND SHARE CERTIFICATES

#### 2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.



## **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

## **2.3 Shareholder Entitled to Certificate or Acknowledgement**

Each shareholder is entitled, without charge, to:

- (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name, or
- (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate;

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

## **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

## **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgement, as the case may be.

## **2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement**

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen, or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen, or destroyed; and
- (b) any indemnity the directors consider adequate.

## **2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, and upon payment of the Certificate Fee, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.8 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

## **2.9 Recognition of Trusts**

Except as required by law or statute or these Articles, no person may compel the Company to recognize such person as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

# **3. ISSUE OF SHARES**

## **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

## **3.2 Commissions and Discounts**

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

## **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (i) past services performed for the Company;
  - (ii) property;
  - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares, or any other securities issued or created by the Company from time to time.

### **3.6 Allotting Shares**

Unless the members decide by ordinary resolution to waive this clause for the Company, before allotting any shares the directors shall first offer those shares pro rata to the members; but if there are classes of shares, the directors shall first offer the shares to be allotted pro rata to the members holding shares of the class proposed to be allotted, and if any shares remain, the directors shall then offer the remaining shares pro rata to the other members. The offer shall be made by notice specifying the number of shares offered and limiting a time for acceptance. After the expiration of the time for acceptance or on receipt of written confirmation from the person to whom the offer is made that he declines to accept the offer, and if there are no other members holding shares who should first receive an offer, the directors may for three months thereafter offer the shares to such persons and in such manner as they think most beneficial to the Company; but the offer to those persons shall not be at a price less than or on terms more favorable than the offer to the members.

## **4. SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series

of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

#### **4.2 Closing Register**

The Company must not at any time close its central securities register.

### **5. SHARE TRANSFERS**

#### **5.1 Registering Transfers**

A transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

#### **5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

#### **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

#### **5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or

- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

### **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

### **5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **6. TRANSMISSION OF SHARES**

### **6.1 Legal Personal Representative Recognized on Death**

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

### **6.2 Rights of Legal Personal Representative**

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

## **7. PURCHASE OF SHARES**

### **7.1 Company Authorized to Purchase Shares**

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

## **7.2 Purchase When Insolvent**

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that;

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

## **7.3 Sale and Voting of Purchased Shares**

If the Company retains a share redeemed, purchased, or otherwise acquired by it, the Company may sell, gift, or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

## **8. BORROWING POWERS**

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) issue bonds, debentures, and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## **9. ALTERATIONS**

### **9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum

number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (t) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

## **9.2 Special Rights and Restrictions**

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued

## **9.3 Change of Name**

The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name.

## **9.4 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

# **10. MEETINGS OF SHAREHOLDERS**

## **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months

after the last annual reference date at such time and place as may be determined by the directors.

## **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

## **10.3 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

## **10.4 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

## **10.5 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **10.6 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned



by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 pm on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

#### **10.7 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

#### **10.8 Notice of Special Business at Meetings of Shareholders**

- (a) If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:
- (b) state the general nature of the special business; and
- (c) if the special business includes considering, approving, ratifying, adopting, or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

#### **10.9 Meetings May be Held Electronically *New 2021***

- (a) At the discretion of the Board of Directors, an annual General Meeting and any Special General Meeting may be held electronically, by any means which:
- (b) Is approved by the Board of Directors;
  - (i) Permits each shareholder to review the proposed agenda, and any proposed resolutions not less than 10 days prior to the date of the meeting.
  - (ii) Permits each eligible shareholder to communicate with other shareholders participating in the meeting; and
  - (iii) Permits a method, electronic or otherwise, of recording the votes of each shareholder;

#### **10.10 Meetings May be Held by Restricted Proxy *New 2021***

At the discretion of the Board of Directors, an annual General Meeting and any Special General Meeting may be held by way of a Restricted Proxy instead of an in-person or electronic meeting, provided that:

- (a) The Board of Directors reasonably believes that an in-person or electronic meeting would not be in the best interests of the safety and security of the Shareholders;
- (b) The Board of Directors delivers to the Shareholders a Notice of Meeting in accordance with these Articles, containing:
  - (i) The Agenda for the Meeting;
  - (ii) A list of the Proposed Resolutions to be decided, and any background material the Board considers necessary for the proper determination of the Resolution.
  - (iii) The Restricted Proxy form.
  - (iv) Instructions for completing and returning the Restricted Proxy to the Board.
- (c) The Restricted Proxies must appoint a nominee appointed by the Board of Directors as the Proxyholder;
- (d) The Restricted Proxies must contain:
  - (i) The name of the Shareholder;
  - (ii) The signature of the Shareholder;
  - (iii) The address of the residential unit;
  - (iv) The Date the proxy is signed;
  - (v) A list of the resolutions for voting that require a decision and instruction.
  - (vi) A restriction on the proxy form that the votes must be counted as instructed;
  - (vii) A restriction on the proxy that it may not be used for amendments, and that it does not permit discretionary voting;
  - (viii) A requirement that the exact numbers and result of each vote will be recorded in the minutes of the meeting;
  - (ix) A requirement that the restricted proxies will be retained for a period of 2 years and may be inspected on request;
  - (x) Instructions for how a Shareholder may deliver the proxy, which may include:
    - (xi) By mail; or
    - (xii) By scanned or photographed email that may be printed and reproduced
- (e) The procedure for a Restricted Proxy Meeting shall be as follows:
  - (i) Meeting is called to order, Proof of Notice of Meeting is provided, Proxies are certified, Chairperson is appointed, and reports received.
  - (ii) Each resolution is called and proxy vote plus the in-person votes is tallied. Result is recorded.

- (iii) No amendments to proposed resolutions are permitted.
- (iv) Proxies are retained for a period of two years after the meeting date.
- (v) Shareholders, other than selected members of the Board of Directors, shall not be permitted to attend the Restricted Proxy Meeting.
- (vi) A Restricted Proxy Meeting shall be attended only by the minimum number of Board Members required to carry out the meeting.
- (vii) The minutes of a Restricted Proxy Meeting shall be provided to the shareholders in accordance with these Articles.

## **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of or voting at the meeting;
  - (ii) consideration of any financial statements of the Company presented to the meeting;
  - (iii) consideration of any reports of the directors or auditor;
  - (iv) the setting or changing of the number of directors;
  - (v) the election or appointment of directors;
  - (vi) the appointment of an auditor;
  - (vii) the setting of the remuneration of an auditor;
  - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
  - (ix) any other business which under these Articles or the *Business Corporations Act*. may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### **11.3 Quorum Amended 2021**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares entitled to be voted at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

### **11.5 Other Persons May Attend**

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

## **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

## **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

## **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so, directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

## **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

## **11.13 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair, or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

## **11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution

is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.3 conclusive evidence without proof of the number or proportion of the votes in favour or against the resolution.

#### **11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

#### **11.16 Casting Vote**

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

#### **11.17 Manner of Taking Poll**

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
  - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

#### **11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

#### **11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

#### **11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

### **11.21 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected

### **11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded

### **11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three-month period, the Company may destroy such ballots and proxies.

## **12. VOTES OF SHAREHOLDERS**

### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### **12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### **12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by

proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted

#### **12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

#### **12.5 Representative of a Corporate Shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
  - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of meeting;
- (b) if a representative is appointed under this Article 12.5:
  - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax, or any other method of transmitting legibly recorded messages.

#### **12.6 Proxy Provisions Do Not Apply to All Companies**

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

#### **12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a



subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

### **12.8 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

### **12.9 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

### **12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax, or any other method of transmitting legibly recorded messages.

### **12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

### 12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*[Name of Company]*  
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, a proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed: \_\_\_\_\_  
(month/day/year)

\_\_\_\_\_  
(Signature of shareholder)

\_\_\_\_\_  
(Name of shareholder-printed)

### 12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

### 12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

### **12.15 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

### **12.16 Some Provisions Hereof Do Not Apply to a Restricted Proxy**

The provisions set out in Paragraphs 12.7, 12.8, 12.10, 12.12, 12.13 (b) and 12.15 herein shall not apply to a Restricted Proxy.

## **13. DIRECTORS**

### **13.1 First Directors; Number of Directors**

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
  - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors set under Article 14.4.

### **13.2 Change in Number of Directors**

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of

directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director must hold a share of the Company as qualification for his or her office and must also be qualified as required by the Business Corporations Act to become, act, or continue to act as a director. No more than one Shareholder, or Representative of a Corporate Shareholder, per household shall be eligible to act as a Director. *(New April 2022)*

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

### **13.6 Reimbursement of Expenses of Directors**

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

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either :in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension, or allowance.

## **14. ELECTION AND REMOVAL OF DIRECTORS**

### **14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment

#### **14.2 Consent to be a Director**

No election, appointment, or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present, and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

#### **14.3 Failure to Elect or Appoint Directors**

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*, or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

#### **14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

#### **14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.6 Remaining Directors Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a) but is eligible for re-election or re-appointment.

#### **14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (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 Articles 14.10 or 14.11.

#### **14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

#### **14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

### **15. ALTERNATE DIRECTORS**

#### **15.1 Appointment of Alternate Director**

Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

#### **15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

#### **15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of

directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

#### **15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

#### **15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

#### **15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

#### **15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.



## **16. POWERS AND DUTIES OF DIRECTORS**

### **16.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

### **16.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **17. DISCLOSURE OF INTEREST OF DIRECTORS**

### **17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

### **17.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

#### **17.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

#### **17.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

#### **17.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

#### **17.7 Professional Services by Director or Officer**

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

#### **17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act* the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

### **18. PROCEEDINGS OF DIRECTORS**

#### **18.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn, and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

#### **18.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in

the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **18.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director;  
or
- (c) any other director chosen by the directors if:
  - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

### **18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communication medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

### **18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

### **18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate

director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

### **18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

### **18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present, or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

### **18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

### **18.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email, or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as

valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **19. EXECUTIVE AND OTHER COMMITTEES**

### **19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
  - (i) the power to fill vacancies in the board of directors;
  - (ii) the power to remove a director;
  - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **19.3 Obligations of Committees**

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors;

and

- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

#### **19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

#### **19.5 Committee Meetings**

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d.) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **20. OFFICERS**

#### **20.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

#### **20.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (a) determine the functions and duties of the officer;

- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter, or vary all or any of the functions, duties, and powers of the officer.

### **20.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

### **20.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## **21. INDEMNIFICATION**

### **21.1 Definitions**

In this Article 21:

- (a) "eligible penalty" means a judgement, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending, or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
  - (i) is or may be joined as a party;
  - (ii) is or may be liable for or in respect of a judgement, penalty or fine in, or expenses related to, the proceeding;
  - (iii) unless in the proceeding the director shall have been found guilty of fraud, gross negligence, or breach of his fiduciary duty to the Company;
- (c) "expenses" has the meaning set out in the *Business Corporations Act*.

### **21.2 Mandatory Indemnification of Directors and Former Directors**

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director, or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be

liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

### **21.3 Indemnification of Other Persons**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

### **21.4 Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director, or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

### **21.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee, or agent of the Company;
- (b) is or was a director, alternate director, officer, employee, or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee, or agent of a corporation or of a partnership, trust, joint venture, or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture, or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## **22. DIVIDENDS**

### **22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### **22.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.



### **22.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 22.2.

### **22.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

### **22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures, or other securities of the Company, or in any one or more of those ways.

### **22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty

as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

### **22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

### **22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

### **22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus, or other money payable in respect of the share.

### **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend

### **22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time-to-time issue, as fully paid, shares or any bonds, debentures, or other securities of the Company *as* a dividend representing the surplus or any part of the surplus.

## **23. DOCUMENTS, RECORDS AND REPORTS**

### **23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

### **23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## **24. NOTICES**

### **24.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report, or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;

- (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

#### **24.2 Deemed Receipt of Mailing**

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays, and holidays excepted, following the date of mailing.

#### **24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report, or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

#### **24.4 Notice to Joint Shareholders**

A notice, statement, report, or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

#### **24.5 Notice to Trustees**

A notice, statement, report, or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy, or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
  - (i) by name, by the title of the legal personal representative of the deceased or

incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

- (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(i) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy, or incapacity had not occurred

## **25. SEAL**

### **25.1 Who May Attest Seal**

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

### **25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

### **25.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures, or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures, or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them

## **26. PROHIBITIONS**

### **26.1 Definitions**

In this Article 26:

- (a) "designated security" means:
  - (i) a voting security of the Company;
  - (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
  - (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (b) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (c) "voting security" means a security of the Company that:
  - (i) is not a debt security, and
  - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

### **26.2 Application**

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

### **26.3 Consent Required for Transfer of Shares or Designated Securities**

No share or designated security may be sold, transferred, or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer, or other disposition.

## **27. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO CLASSES OF SHARES**

In the event of a conflict between these special rights and restrictions and the other Articles of the Company the provisions of these special rights and restrictions shall prevail.

### **27.1 Class "A" Common Voting Shares**

- (a) The Class "A" Common Voting Shares shall be issued only to owners of sublease hold interests in the Sonoma Pines real estate development at Vintage Hills and shall be entitled to vote at any Annual or Special General Meeting and shall be the only voting shares of the Company. *(New April 2022)*
- (b) Each Class "A" Common Voting Share shall be issued for \$1.00 per share.
- (c) Each subleasehold lot shall qualify for 2 Class "A" Common Voting Shares which

shall be issued to the owners of the subleasehold interest upon their entering into a Subscription Agreement and paying the subscription price of \$1.00 per share.

- (d) The Class "A" Common Voting Shares shall not be entitled to receive any dividend out of income or capital of the Company or any other distribution of the Company prior to the winding up of the Company.
- (e) Upon the winding up or dissolution of the Company any assets owned by the Company will be distributed equally among the shareholders of Class "A" Common Voting Shares in the Company.

#### **27.2 Class "B" Common Voting Shares**

- (a) *(Repealed April 2022)*
- (b) *(Repealed April 2022)*
- (c) *(Repealed April 2022)*
- (d) *(Repealed April 2022)*

#### **27.3 Transfer of Class "A" Common Voting Shares**

- (a) Notwithstanding anything to the contrary provided in these Articles an owner of a Class "A" Common Voting Share must be an owner at all times of a subleasehold interest in the Sonoma Pines development at Vintage Hills.
- (b) Upon a sale of a subleasehold interest the owner of Class "A" Common Voting Shares shall cease to be a member of the Company and the Company shall have the absolute right to repurchase the Class "A" Common Voting Shares owned by such party for the price of \$1.00 per share.
- (c) Upon assignment of a subleasehold interest to a purchaser thereof the Company will issue Class "A" Common Voting Shares to the purchaser in the manner provided herein.

#### **27.4 Restrictions on Business**

- (a) The Company shall not be permitted to carry on any business other than the management and operation of the common property and common assets of the Sonoma Pines development at Vintage Hills.
- (b) The Company's mandate is to carry on its sole business on a not-for-profit basis.

## **27.5 Harmonization with Strata Property Act**

### **27.5.1 Directors**

#### (a) Election of Directors

At each annual general meeting, the eligible voters who are present in person or by proxy at the meeting must determine the number of and must elect the directors.

- (i) If a secret ballot is required, the ballot shall only list the names of the nominees in alphabetical order as required by the BC Elections Act *New 2021*
- (ii) The Board shall appoint an impartial owner to act as the Electoral Officer who shall supervise the process for the elections of the Board and shall arrange for the production of the ballot; arrange for two deputies to count the ballots and arrange for the ballots to be retained for a period of no less than six months following any election or vote. *New 2021*
- (iii) The candidates shall not be present during the count of the ballots, but each candidate may have the count witnessed by a single scrutineer. *New 2021*

#### (b) Directors Exercise Powers and Perform Duties of Company.

The Directors must exercise the powers and perform the duties of the Company, including the prudent financial management of the Corporation and the enforcement of bylaws and rules.

#### (c) Control of Directors

- (i) The Company may direct or restrict the directors in their exercise of powers and performance of duties by a resolution passed by a majority vote at an annual or special general meeting.
- (ii) The Company may not direct or restrict the directors under subsection (a) if the direction or restriction interferes with discretion to determine, based on the facts of a particular case,
  - (A) whether a person has contravened a bylaw or rule,
  - (B) whether a person should be fined, and the amount of the fine, or
  - (C) whether a person should be denied access to a recreational facility.

#### (d) Eligibility for Directors

Notwithstanding section 13.4 no person shall be a director of the Company unless that person is:

- (i) a holder of Class "A" Common Voting Shares, or
- (ii) *Deleted 2021*

#### (e) Directors Standard of Care

In exercising the powers and performing the duties of the Company, each director must:

- (i) act honestly and in good faith with a view to the best interests of the Company; and
- (ii) exercise the care, diligence, and skill of a reasonably prudent person in comparable circumstances.

### **27.5.2 Operating Fund and Contingency Reserve Fund**

The corporation must retain the services of a professional property manager, fully licensed under the Real Estate Services Act (RESA) of BC, to manage the Corporation's finances, including all receipts and disbursements of funds. *New 2021* To meet its expenses the Company must establish, and the owners must contribute, by means of assessment, to:

- (a) an operating fund for common expenses that usually occur either once a year or more often than once a year, and
- (b) a contingency reserve fund for common expenses that usually occur less often than once a year or that do not usually occur and *Amended 2021*
- (c) a separate contingency reserve fund for the common expenses of the multi-family development that usually occur less often than once a year or that do not usually occur which will only require a  $\frac{3}{4}$  vote of the shareholders in the multifamily development for withdrawals from such fund. *New 2021*

### **27.5.3 Management of Contingency Reserve Fund**

- (a) The Company must account for money in the contingency reserve fund separately from other money of the Company.
- (b) The Company must invest all of the money in the contingency reserve fund in one or the other or a combination of the following:
  - (i) those investments permitted by the regulations under the Strata Property Act;
  - (iii) insured accounts with savings institutions in British Columbia;
- (c) Any interest or income earned on the money in the contingency reserve fund becomes part of the fund.
- (d) Despite subsection (2), the company may lend money in the contingency reserve fund to the operating fund.

### **27.5.4 Restrictions on Expenditures**

- (a) Expenditures from contingency reserve fund

The Company must not spend money from the common contingency reserve funds unless the expenditures is:

- (i) consistent with the purposes of the fund; and



- (ii) first approved by a resolution passed by 3/4 vote at an annual or special general meeting or authorized as an unapproved expenditure as herein provided

The Company must not spend money from the separate Multi Family contingency reserve fund unless the expenditures is:

- (i) consistent with the purposes of the fund; and
- (ii) first approved by a resolution passed by a 3/4 vote of the Multi Family shareholders at an annual or special general meeting or authorized as an unapproved expenditure as herein provided.

(b) Expenditures from operating fund

The Company must not spend money from the operating fund unless the expenditure is:

- (i) consistent with the purposes of the fund; and
- (ii) first approved by a resolution passed by a 3/4 vote at an annual or special general meeting, or authorized:
- (iii) in the budget; or
- (iv) as provided in these Articles.

(c) Unapproved expenditures

- (i) If a proposed expenditure has not been put forward for approval in the budget or at an annual or special general meeting, the Company may only make the expenditure in accordance with this section.
- (ii) Subject to subsection (c), the expenditure may be made out of the operating fund if the expenditure, together with all other unapproved expenditures, whether of the same type or not, that were made under this section in the same fiscal year, is:
  - (A) less than the amount set out in the bylaws, or
  - (B) if the bylaws are silent as to the amount, less than \$10,000 or 5% of the total contribution to the operating fund for the current year, whichever is less.
- (iii) The expenditure may be made out of the operating fund or contingency reserve fund if there are reasonable grounds to believe that an immediate expenditure is necessary to ensure safety or prevent significant loss or damage, whether physical or otherwise.
- (iv) *Repealed 2021*
- (v) *Repealed 2021*

- (vi) The Company must inform owners as soon as feasible about any expenditure made under subsection 27.5.4 (c) (iii).

### **27.5.5 Assessments**

#### **(a) Calculating Assessments**

- i) For the expenses related to, but not limited to, insuring the common property, the operation and maintenance of the common property and clubhouse and the Common Contingency Reserve Fund, all owners of subleasehold interests shall contribute an equal share based upon the total number of homes within the community (495 homes as of 2020); *Amended 2021*
- ii) In addition to costs related to Article 27.4.5. (a) (i) noted above the owners of a single-family leasehold interest shall also contribute an equal share to the costs of the landscaping contract specific to the single-family homes based upon total number of single-family homes (154 in 2020); *Amended 2021*
- iii) In addition to costs related to Article 27.4.5. (a) (i) noted above the owners of a multifamily leasehold interest shall also contribute to the following: *Amended 2021*
  - (A) A contribution to the annual maintenance costs of the multifamily development as determined by the Board of Directors recognizing that the allocations to the walk-up and walk-out homes shall be fifty-five percent (55%) more than homes without a basement and;
  - (B) A contribution to the Multifamily Contingency Reserve Fund (Roof Cover Fund) based upon the total adjusted square footage for the multifamily development calculated as follows:
    - (1) Up/down homes shall have the chargeable square footage calculated at seventy (70%) percent of the first-floor square footage as determined by BC Assessment;
    - (2) All other multifamily homes shall have the chargeable square footage calculated at one hundred (100%) percent of the first-floor square footage as determined by BC Assessment

#### **(b) Change to base for calculation of contributions**

- (i) The owner of Class "B" Common Voting Shares shall pay the assessment calculated as above for all subleasehold lots which have not been sold to sublessees.
- (ii) At an annual or special general meeting held after the first annual general meeting, the Company may, by a resolution passed by a unanimous vote, agree to use one or more different formulas, other than the formulas set out above for the calculation of a subleasehold lot's share of the contribution to the operating fund and contingency reserve fund. *Amended 2006*

- (iii) An agreement under subsection (a) may be revoked or changed by a resolution passed by a 3/4 vote at an annual or special general meeting. *Amended March 30, 2006*

(c) No return of contributions on sale of subleasehold lot.

On the assignment of a subleasehold lot, the assignor is not entitled to a return of contributions to the contingency reserve fund

#### **27.5.6 Budget Requirements**

(a) The Company must prepare a budget for the coming fiscal year for approval by a resolution to be passed by a majority vote at each annual general meeting and may contain items that are specific to the multi-family development. *Amended 2021*

- (i) The proposed budget must be distributed with the notice of the annual general meeting and must be accompanied by a financial statement.

- (ii) The proposed budget may be amended by a majority vote at the annual general meeting before the budget itself is put to a vote.

(b) Failure to approve budget

- (i) If a budget is not approved at an annual general meeting, the Company must within 30 days, or such longer period as approved by a resolution passed by a 3/4 vote at the meeting, prepare a new budget and place it before a special general meeting for approval by a resolution passed by a majority vote.

- (ii) If a fiscal year to which a budget relates ends before a new budget is approved, the owners must, until the new budget is approved, continue to pay to the Company the same monthly assessment that they were required to pay under the previous budget.

- (iii) Until a new budget is approved, the Company may spend money out of the operating fund only:

- (A) on the type of expenses that are set out in the previous budget and that usually occur once a year or more often than once a year;

- (B) up to the maximum amount set out in the previous budget for each category of expense; and

- (C) on an emergency basis as provided for unapproved expenditure.

(c) Budget surpluses and deficits

- (i) Contributions to the operating fund which are not required to meet operating expenses accruing during the fiscal year to which the budget relates must be dealt with in one or more of the following ways:

- (A) transferred into the contingency reserve fund;
  - (B) carried forward as part of the operating fund, as a surplus;
  - (C) used to reduce the total assessment to the next fiscal year's operating fund
- (ii) If operating expenses exceed the total contribution to the operating fund, the deficit must be eliminated during the next fiscal year.

### **27.5.7 Special Levies *New 2021***

(a) The Company may raise money from the owners by means of a special levy.

- (i) The Company must calculate each owner's share of a special levy
  - (A) in accordance with Section 27.4.5.(a) of these Articles in which case the levy must be approved by a resolution passed by a 3/4 vote at an annual or special general meeting, or
  - (B) in another way that establishes a fair division of expenses for that particular levy, in which case the levy must be approved by a resolution passed by a 3/4 vote at an annual or special general meeting.
- (ii) The resolution to approve a special levy must set out all of the following:
  - (A) the purpose of the levy;
  - (B) the total amount of the levy;
  - (C) the method used to determine each owner's share of the levy;
  - (D) the amount of each owner's share of the levy;
  - (E) the date by which the levy is to be paid or, if the levy is payable in instalments, the dates by which the instalments are to be paid.
- (iii) The Company must
  - (A) account for the money collected separately from other money of the Company,
  - (B) invest all of the money collected in accordance with Article 27.4.3(b)

(b) The Company may, by bylaw or by a resolution approving a special levy, establish a rate of interest, not to exceed 10% per annum, to be paid if an owner is late in paying his or her lot's share of the special levy.

- (c) The interest payable on a late payment of a special levy in accordance with a bylaw or resolution referred to in subsection (27.4.7 (a)) is not a fine, and forms part of the special levy for the purposes of this section.
- (d) If the money collected exceeds the amount required, or for any other reason is not fully used for the purpose set out in the resolution, the Company may pay to each owner of a lot the portion of the unused amount of the special levy that is proportional to the contribution made to the special levy in respect of that lot.

- (e) Despite subsection (d), if no owner is entitled to receive more than \$100 in total under subsection (d), the Company may deposit the excess in the contingency reserve fund.
- (f) In subsections (c) and (d), "money collected" means the money collected on a special levy and includes any interest or income earned on that money.
- (g) Payment of special levy when lot sold  
If a special levy is approved before a lot is conveyed to a purchaser,
  - (i) the person who is the owner of the lot immediately before the date the lot is conveyed owes the Company the portion of the levy that is payable before the date the lot is conveyed, and
  - (ii) the person who is the owner of the lot immediately after the date the lot is conveyed owes the Company the portion of the levy that is payable on or after the date the lot is conveyed.

#### **27.5.8 Multi-family Implied Easements *New 2021***

- (a) There exists an easement in favour of every residential home lot in the multi-family development and the owner of each residential home lot in the multi-family development
  - (i) for the residential home's vertical and sideways support by the common property and by every other residential home capable of providing support,
  - (ii) for the passage or provision of water, sewage, drainage, gas, oil, electricity, garbage, heating and cooling systems and other services, including telephone, radio, and television, through or by means of any pipes, wires, cables, chutes, ducts, or other facilities existing in the common property or another residential home to the extent those systems or services are capable of being, and intended to be, used in connection with the enjoyment of the residential home, and
  - (iii) for shelter of the residential home by every part of a building that is shown on the lot plan as part of the common property or another residential home and that is capable of providing shelter.
- (b) There exists an easement in favour of the common property and the owners of the common property
  - (i) for the common property's vertical and sideways support by every residential home capable of providing support,
  - (ii) for the passage or provision of the services and facilities described in subsection 27.4.8(a) (ii) existing in a residential home to the extent those systems or services are capable of being, and intended to be, used in connection with the enjoyment of the common property, and
  - (iii) for shelter of the common property by every part of a building that is shown on the lot plan as part of a residential home and that is capable of providing shelter.
- (c) There exists a mutual easement over and in favour of all adjacent residential home lots in the multi-family development and all owners of each residential home lot in the multi-

family development and all adjoining Common Property

- (i) rebuilding a Party Wall straddling the common boundary between the lots or Common Property, together with any utilities thereon or thereunder.
- (ii) Any encroachment by the Party Wall located on, near or adjoining the common boundary between the lots and the foundation and footings therefore, (collectively (b) any encroachment by the Party Wall located on, near or adjoining the common boundary between the lots and the foundation and footings therefor, and (collectively the "Encroachments") shall constitute perpetual right, privilege, and easement insofar as they encroach on either lot.
- (iii) Each owner whose Encroachments are permitted pursuant to the right, privilege and easement set forth herein, shall indemnify and save harmless the other owner for and from any loss, cost, or expense due to damage or injury caused by the owner in maintaining, repairing, rebuilding, or replacing such Encroachments.
  - (A) If the Party Wall requires rebuilding:
    - (1) The owner of either lot, its agents, contractors or employees may rebuild the whole or any portion of the Party Wall in the event of its partial or total destruction, and the cost of repairs and maintenance of the Party Wall in the event of partial or total destruction, (except in the case of negligence or intentional act by one of the owners or his or her agents, employees, invitees or Tenants) shall be borne equally by the owners from time to time of the lots and each owner hereby agrees to so contribute upon request to such cost, PROVIDED THAT whenever the Party Wall or any portion hereof is rebuilt it shall be erected on the place where it now stands and shall be of the same size and of the same or similar materials and of like quality as the Party Wall and shall be constructed in accordance with the minimum standards provided in the building by-law applicable of the Westbank First Nation, or, in the absence of such a by-law, then in accordance with the minimum standards provided by applicable British Columbia legislation.
    - (2) Prior to the rebuilding of the Party Wall, the party who intends to rebuild the Party Wall shall send to the owner of the Lot sharing the Party Wall plans and specifications of the Party Wall to be rebuilt and request such owner's written approval thereof. Upon written approval by such owner of the plans and specifications, the party so requesting may proceed with the rebuilding in accordance therewith. Should written approval not be received within seven (7) days after request, then either party may make a submission for approval pursuant to the Arbitration Act of British Columbia, as amended, or any successor legislation and there shall be one (1) arbitrator.
    - (3) Whenever the Party Wall is rebuilt, any damage caused by construction of such rebuilding shall be made good.
    - (4) Whenever the Party Wall is rebuilt, the rebuilt structure shall remain

as the Party Wall, and shall be subject to the terms of this Article.

- (5) Except as otherwise provided herein, the owners of the lots shall not alter or change the Party Wall in any manner.
  - (B) The use of the Party Wall by the owners from time to time of the lots shall be perpetual but no covenant herein shall be personally binding upon a party when he or she is no longer the Sublessee of the lot.
  - (C) No part of the leasehold interest of one sublessor shall become vested in the owner of the other lot by reason of this easement.
  - (D) If an owner of either lot is in breach of his or her covenants to indemnify, save harmless, repair, rebuild, maintain or contribute to the cost of the Party Wall or damage done to an adjoining lot or dwelling by virtue of the exercise of any right under this Agreement, the other owner may repair, rebuild, maintain or pay for the Party Wall or other damage as required, and may recover the cost of same from the owner in breach to the extent of the indemnity or save harmless obligation or that such owner is obligated to contribute to the cost, and shall be entitled to file a lien (including, if applicable a builders' lien) against the leasehold interest of the owner in breach.
  - (E) Any provisions herein found or made void or unenforceable by any court under law shall not void or render unenforceable the remaining provisions hereof.
  - (F) The rights, privileges and easements granted, and the restrictive covenants and conditions made herein shall run with and be legally annexed to the land including both lots, without registration in the Westbank First Nation Lands Registry, and they shall extend to and inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns as the case may be of the parties hereto.
  - (G) The rights, privileges, covenants, and easements hereby granted shall not be extinguished in the event that the leasehold interests to the lots shall be vested in the same person.
  - (H) Nothing herein shall be construed so as to alter the rights of any mortgagee of a Subleasehold interest in a Lot to obtain payment of insurance monies in rebuilding, reinstating, or replacing all or any part of the dwelling located on such Lot.
- (iv) The easements referred to in subsections 27.4.8 (a) and (b)
    - (A) exist without registration in a land title office,
    - (B) charge and burden that part of the common property capable of providing support or shelter to a residential home,
    - (C) charge and burden each residential home capable of providing support or

shelter to another residential home or to the common property,

- (D) charge and burden each residential home and that part of the common property in which any part of the services and facilities described in subsections 27.4.8 (a) (ii) and (b) (ii) are located, and
  - (E) include all of the rights and obligations needed to give effect to and enforce them, including a right of entry to inspect, maintain, repair, and replace the shelter, support, services, and facilities described in subsections 27.4.8 (a) and (b).
- (v) The easements referred to in subsections 27.4.8 (a), (b) and (c)
- (A) exist without registration in the Westbank First Nation Lands Registry,
  - (B) charge and burden each residential home and that part of the common property in which any part of the services and facilities described in subsections 27.4.8 (a) (ii), (b) (ii) and (c) (i) are located, and
  - (C) include all of the rights and obligations needed to give effect to and enforce them, including a right of entry to inspect, maintain, repair, and replace the shelter, support, services, and facilities described in subsections 27.4.8 (a), (b) and (c).

#### **27.5.9 Repair and Maintenance of Property by the Company *New 2021***

- (a) The Company must repair and maintain the common assets of the Company that including but not limited to the clubhouse, the fences and gates, the roads, drainage and sewer systems, waterworks, fire prevention and security systems located in the Common Areas;
- (b) Repair/Maintenance of property - Vents, stairs, balconies, and other things attached to the exterior of a residential home but specifically excluding water faucets or hose bibs; electrical outlets or light fixture: and air conditioning units. (*Amended April 2022*)

unless those items are damaged by a malfunction of a homeowner's installation, any alterations by a homeowner or previous homeowner or damage arising from attachments to the exterior of a Multi Family Unit.

#### **27.5.10 Insurance *New 2021***

- a) All homeowners shall take out and keep in force an all risk insurance policy which will cover damage to the Residential Home and all other improvements on the Leased Premises to the full replacement value as prescribed in Article 10 of the single family sublease and Article 11 of the multifamily sublease EXCEPT as it relates to the requirement for the provision of cross liability and the waiver of subrogation, (which are unattainable in residential policies and therefore are waived until such time as this Article is amended) together with public liability coverage of not less than \$2 million and the policy shall name Westbank First Nation and Sonoma Pines Homeowners Management Ltd. as additional named insureds.



## **27.6 RULES AND REGULATIONS**

- (a) The Directors shall make such rules and regulations or Bylaws relating to duties of owners, tenants, occupants and visitors, powers and duties of the Company, voluntary dispute resolutions, and marketing activities by the developer as the Directors shall deem appropriate. *Amended 2021*
- (b) *Deleted 2021*