

THE AGENCY FOR CO-OPERATIVE HOUSING

POLICY MANUAL

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See attached.

**The Agency for Co-operative Housing –
L'Agence des coopératives d'habitation**

**By-Law No. 1
Organizational By-law**

Amended June 2010

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**The Agency for Co-operative Housing –
L'Agence des coopératives d'habitation**

**By-Law No. 1
Organizational By-law**

ARTICLE 1 - INTERPRETATION

In this By-law the words below have the following meaning:

- 1.01 "Act" means the *Canada Cooperatives Act*;
- 1.02 "Agency" means the Agency for Co-operative Housing – Agence des coopératives d'habitation;
- 1.03 "Board" or "Board of Directors" means the board of directors of the Agency;
- 1.04 "By-laws" means all of the by-laws of the Agency. "This By-law" means By-law No. 1;
- 1.05 "CHF Canada" means Co-operative Housing Federation of Canada—Fédération de l'habitation coopérative du Canada;
- 1.06 "CMHC" means Canada Mortgage and Housing Corporation;
- 1.07 "Director" means a person appointed by the Member under this By-law to serve on the Board;
- 1.08 "Member" means the member of the Agency, in that capacity;
- 1.09 "Representative" means the individual authorized by a resolution of the directors of the Member to represent it at meetings of the Agency and who exercises all the powers the Member could exercise if it were an individual.

ARTICLE 2 – MEMBERSHIP

- 2.01 CHF Canada is the sole Member of the Agency, as stipulated in the Articles of Incorporation, and the Board may not admit any other members under this By-law.

ARTICLE 3 – MEETINGS OF THE AGENCY

- 3.01 The Agency must hold a first annual meeting not later than eighteen (18) months after coming into existence and an annual meeting thereafter not later than fifteen (15) months after the last annual meeting or six (6) months after the end of the Agency's fiscal year.
- 3.02 The Board may at any time call a special meeting of the Agency in order to transact any business the general nature of which is specified in the notice of the meeting.
- 3.03 Annual and special meetings of the Agency will be held in Canada at a place designated by the Board.
- 3.04 The agenda of the annual meeting will include
- (a) the approval of the minutes of the previous annual or special meeting of the Agency;
 - (b) the consideration of the auditor's report and the audited financial statement for the last year;
 - (c) the appointment of the auditor for the current year;
 - (d) the report of the Board of Directors;
 - (e) resolutions from the Board or the Member, if any;
 - (f) the appointment of Directors; and
 - (g) any other business agreed to by the Member.
- 3.05 A resolution in writing and signed by the Member's Representative is as valid as if it had been passed at a meeting of the Member duly called and constituted under this By-law and will be effective on the date stated in the resolution.
- 3.06 A resolution in writing dealing with all matters required by the Act or By-laws to be dealt with at a meeting of the Agency, and signed by the Member's Representative, satisfies all the requirements of the Act and By-laws relating to meetings of the Agency.

ARTICLE 4 – COMPOSITION OF BOARD OF DIRECTORS

Number of Directors

4.01 The Board will consist of a minimum of six (6) Directors and a maximum of ten (10) Directors.

Appointment of Directors

4.02 Directors will be drawn from each of the major geographic regions served by the Agency, as follows:

- (a) at least two (2) from amongst persons resident in the Province of British Columbia;
- (b) at least one (1) from amongst persons resident in the Provinces of Alberta or Prince Edward Island; and
- (c) at least two (2) from amongst persons resident in the Province of Ontario.

If, in the opinion of the Member, qualified candidates cannot be found in one or more of the regions above, the Member may appoint a person resident in any Province.

4.03 If, in the absence of a Social Housing Agreement between the Province of Quebec and CMHC, the Agency assumes responsibility for the administration of the federal co-operative housing programs in Quebec, the Member will appoint at least one (1) Director from amongst persons resident in the Province of Quebec.

Qualifications of Directors

4.04 At the time of their appointment, all Directors must be

- (a) individuals; and
- (b) eighteen years of age or older.

4.05 No person may be or remain a Director who

- (a) has been found by a court anywhere to be of unsound mind;
- (b) is an undischarged bankrupt;
- (c) is a current director, officer or employee of the Member or of a regional federation of housing co-operatives;
- (d) is a current director, officer or employee of CMHC;

- (e) is in breach of the Agency's rules of ethical conduct; or
 - (f) is a current member, director, officer, employee or manager of a co-operative that has been advised by the Agency that it is in breach of its project operating agreement with CMHC.
- 4.06 In addition to the requirements of Section 4.05, to qualify and continue to sit as a Director a person must
- (a) be possessed of the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues comparable to those likely to be found at the Agency;
 - (b) be prepared to attend meetings regularly and otherwise to dedicate the time and energy necessary for the Agency's effective governance; and
 - (c) meet any other qualifications established by the Agency for directors generally.
- 4.07 On the Member determining that a person is no longer qualified under Section 4.05 or Section 4.06, the Member will forthwith advise that person that he or she is disqualified to act as a Director and is removed as a Director from the date of notice by the Member.

Term of Office

- 4.08 Unless the Member specifies another term on appointment, each Director will be appointed for a three-year term and no Director may serve more than two complete consecutive three-year terms.

Vacation of Office

- 4.09 The office of a Director is vacated when the Director
- (a) has been advised by the Member under Section 4.07 that he or she no longer qualifies for office;
 - (b) has been absent without leave of the Board from two (2) consecutive regular Board meetings; or
 - (c) resigns by written notice.
- 4.10 Provided a quorum of Directors remains in office, casual vacancies on the Board arising from the resignation or removal of a Director will be filled by the Directors of the Agency remaining in office, on receipt of a nomination from the Member. Appointments will be confirmed by the Member at the next annual meeting, if those Directors are to continue in office.

- 4.11 Where there is a vacancy or vacancies on the Board of Directors, the Directors then in office may exercise all of the powers of the Board so long as a quorum of the Board remains in office.

ARTICLE 5 – POWERS AND DUTIES OF THE BOARD

- 5.01 Subject to any Unanimous Agreement as provided for under the Act, the Board will manage or supervise the management of the business of the Agency. The Board may exercise all of the powers of the Agency that the Act or the By-laws do not require the Member to exercise. As permitted by the Act and subject to this By-law, the Board may delegate any of its powers by resolution to an officer or officers of the Agency, including the power to authorize expenditures and to employ and pay salaries to employees.

- 5.02 With the approval of the Member, the Board of Directors may, from time to time,

- (a) borrow money on the credit of the Agency;
- (b) issue, sell or pledge securities of the Agency;
- (c) give guarantees; and
- (d) use the property of the Agency as security for a loan or repayment of a debt.

The Board may, by resolution, delegate the power referred to in subsection 5.02(a) to one or more officers or Directors of the Agency, to the extent and in the manner as may be set out in the resolution providing for that delegation.

- 5.03 The banking accounts of the Agency are to be kept at a bank or banks, co-operative credit societies, credit unions or other financial institutions authorized by law to accept accounts of that kind. All money received by the Agency is to be forthwith deposited in one or more of the Agency's accounts.

- 5.04 The Board has the power to authorize the use of the engraved, lithographed, printed or otherwise mechanically reproduced signature of any person having signatory powers of the Agency and on being so authorized that signature is for all purposes deemed to be the signature of that person and is valid and binding on the Agency.

- 5.05 The Board will ensure

- (a) the preparation of an annual report of the business of the Agency and the presentation of the report to the annual meeting of the Agency; and
- (b) that the conduct of the business of the Agency is in accordance with general law, the statutes under which the Agency from time to time derives its power, the

By-laws, any agreements to which the Agency and CMHC together are parties, and the best interests of the Agency.

Fiduciary Duties

- 5.06 All acts done at any meeting of the Board, or of a committee of the Board, or by any person acting as a Director are, notwithstanding that afterwards it is discovered that there was some defect in the appointment of any Director or person acting or that any Director or person acting as a Director was disqualified, as valid as if that Director or person had been duly appointed and was qualified to be a Director.
- 5.07 All Directors and officers of the Agency and members of any committees, in exercising their powers and performing their duties, must
- (a) act honestly and in good faith and in the best interests of the Agency; and
 - (b) exercise the care, diligence and skill of a reasonably prudent person.
- 5.08 A Director or officer of the Agency or member of any committee who
- (a) is a party to a material contract or proposed material contract with the Agency, or
 - (b) has a material interest in, or is a director, or an officer of any entity that is a party to a material contract or proposed material contract with the Agency

must disclose in writing to the Agency or request to have entered in the minutes of a meeting of Directors the nature and extent of that interest and must otherwise comply with the Act. No Director can vote in respect of any contract or proposed contract in which that Director has a material interest.

ARTICLE 6 – MEETINGS OF THE BOARD

- 6.01 (a) Regular meetings of the Board will be held at times and places as may be determined by resolution of the Board.
- (b) Special meetings of the Board may be held on the call of the President, or on the written and signed call of at least two (2) Directors filed with the Secretary, provided that the call so filed states the purpose or purposes for which the meeting is to be called.
- 6.02 (a) Meetings of Directors may be held on less than the required notice if all the Directors are present or if those absent have signified in writing their consent to that meeting or to the business transacted at it.

- (b) No notice is necessary in the case of a meeting of Directors held immediately on the adjournment of the annual meeting of the Agency.
- 6.03 Meetings of the Board may deal with any matter relating to the business and affairs of the Agency as may come before the meeting.
- 6.04 The quorum for meetings of the Board is four Directors.
- 6.05 Each Director has one (1) vote and there is no voting by proxy.
- 6.06 Except as otherwise required by this By-law or the Act, all questions arising at any meeting of the Board will be decided by a majority of the votes cast.
- 6.07 A resolution in writing and signed by all of the Directors is as valid as if it had been passed at a meeting of the Board duly called and constituted under this By-law and will be effective on the date stated in the resolution. Resolutions may be executed in any number of counterparts and all counterparts constitute one binding resolution, notwithstanding that all Directors are not signatories to the same counterpart.

Meetings by Teleconference

- 6.08 With their consent, a Director or Directors may participate in a meeting of the Board held by teleconference.

Meetings by Other Electronic Means

- 6.09 The Directors may meet by other electronic means that permit each Director to communicate adequately with each other Director, provided that
 - (a) the Board has passed a resolution addressing the mechanics of holding that kind of meeting and the resolution deals specifically with how security issues are to be handled and the procedures for establishing quorum and recording votes;
 - (b) each Director has equal access to the particular means of communication used; and
 - (c) each Director consents in advance to a meeting by electronic means using the specific means of communication proposed for the meeting.

ARTICLE 7 – OFFICERS

- 7.01 The officers of the Agency are the President, Vice-President, Secretary, Treasurer, and Chief Executive Officer. The officers will be appointed by the Board from among the Directors, at its first meeting following the annual meeting in each year, except for the Chief Executive Officer, who is hired by the Board, and the Secretary, who need not be a Director.

- 7.02 The President is the chairperson of the Board and is to preside at all meetings of the Board and the Agency, or otherwise to provide for a person to chair, and is to perform any other duties that the Board assigns to the President.
- 7.03 The Vice-President will assist the President in the exercise of the President's duties and will perform any other tasks delegated to the Vice-President by the President or the Board. The Vice-President will perform the duties of the President in the absence or disability of the President.
- 7.04 The Treasurer will ensure that proper arrangements have been made for the management of the financial affairs of the Agency. The Treasurer will report to the Board and the Member on the Agency's finances and perform any other duties assigned by the Board.
- 7.05 The Secretary must
- (a) keep a full and impartial record of all proceedings of meetings held by the Board and special and annual meetings of the Agency;
 - (b) have charge of books, records and papers and the seal of the Agency, all of which must be delivered as and when instructed or authorized by resolution of the Board;
 - (c) give due notice of all meetings of the Agency and the Board;
 - (d) certify documents issued by the Agency; and
 - (e) perform any other duties as are required by the By-laws or as are incidental to the office or as may be required from time to time by the Board.
- 7.06 The Secretary must keep, in a form approved by the Board,
- (a) a copy of the documents incorporating the Agency, and any amendments, and of the By-laws of the Agency; and
 - (b) a record of the names, addresses and occupations of all persons who are or have been Directors of the Agency, showing the several dates at which each became or ceased to be a Director.
- 7.07 In the absence or inability to act of any officer, the Board may delegate any of the powers of that officer to any other officer or Director of the Agency. Reference in the By-laws to any officer includes any person appointed to perform the duties of an office temporarily.

Duties of Chief Executive Officer

- 7.08 The Chief Executive Officer will perform the duties assigned to the Chief Executive Officer by the Board.

Signing Authority

- 7.09 Except where specific resolutions have been adopted by the Board in connection with the Agency's accounts with financial institutions, any two of the President, Vice-President, Secretary, Treasurer and Chief Executive Officer are authorized to sign documents requiring the Agency's signature. The Board may adopt resolutions delegating this authority to one or more persons.

ARTICLE 8 – INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.01 No Director or officer of the Agency is to be liable

- (a) for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or act for conformity;
- (b) for any loss or expense happening to the Agency through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Agency;
- (c) for the insufficiency or deficiency of any security in or upon which any of the money of the Agency shall be invested;
- (d) for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any of the monies, securities or effects of the Agency shall be deposited;
- (e) for any loss occasioned by any error of judgement or oversight; or
- (f) for any other loss, damage or misfortune of whatever kind that happens in the execution of the duties of office or in relation to those duties,

unless any of the matters contemplated in 8.01(a) to 8.01(f) happens through wilful neglect or default.

8.02 Every Director and every officer of the Agency, and their heirs, executors, administrators and other legal personal representatives, from time to time, are indemnified and saved harmless by the Agency from and against

- (a) any liability and all costs, charges and expenses that are sustained or incurred in respect of any action, suit or proceeding that is proposed or commenced against that person for or in respect of anything done or permitted to be done in respect of the execution of the duties of office; and
- (b) all other costs, charges and expenses sustained or incurred in respect of the affairs of the Agency provided that no Director or officer of the Agency is indemnified for

any liability, costs, charges, or expenses that are sustained or incurred in or about an action, suit or other proceeding as the result of which that person is adjudged to be in breach of any duty or responsibility imposed under a statute unless in any action brought against that person as a Director or officer complete or substantial success has been achieved as a defendant.

8.03 Nothing in these By-laws is to be construed so as to relieve any Director or officer of any liability imposed by the Act.

The Agency may purchase and maintain such insurance for the benefit of its Directors and officers as the Board may from time to time determine.

ARTICLE 9 – COMMITTEES

9.01 The Board may establish any committee it determines necessary, composed of Directors and others, with a mandate of the Board's choosing. The powers and authority of any committee are limited only by the requirements of the Act. All committees must be chaired by a Director.

9.02 The Board will establish a Finance and Audit Committee composed of at least three (3) Directors, including a Director with expertise in accounting or financial management. The Finance and Audit Committee will work with designated staff and report to the Board respecting the following duties:

- (a) review financial policies for recommendation to the Board;
- (b) review budgets prepared by staff before their recommendation to the Board;
- (c) recommend the appointment of the Agency's external auditor each year;
- (d) review and recommend the annual audit plan and auditor's remuneration;
- (e) regularly review the external auditor's performance, independence and continuing qualifications;
- (f) monitor the financial performance of the Agency;
- (g) review the annual financial statement with the auditor before its approval by the Board of Directors;
- (h) ensure that an effective interim financial reporting system is in place;
- (i) ensure that an effective system of internal controls is in place;

- (j) investigate and report to the Board any financial irregularities or concerns bearing on the soundness of the Agency's finances or the integrity of its financial reporting that come to the committee's attention.

ARTICLE 10 – CORPORATE SEAL

- 10.01 The Agency will have a corporate seal.
- 10.02 Where the seal of the Agency is required by law to be affixed to any document for execution or certification, it will be affixed in the presence of and with the authority of any two (2) Directors, officers or such employees who have been appointed by the Board to sign for and on the Agency's behalf in such circumstances.

ARTICLE 11 – FINANCIAL YEAR

- 11.01 The Agency fiscal year begins on January 1 and ends on December 31 of each year.

ARTICLE 12 – ACCOUNTS

- 12.01 The Board will cause true accounts to be kept of the sums of money received and disbursed by the Agency and the matters in respect of which such receipts and disbursements take place, of all sales and purchases by the Agency and of the assets and liabilities of the Agency and of all other transactions affecting the financial position of the Agency.

ARTICLE 13 – FINANCIAL STATEMENTS

- 13.01 Prior to each annual meeting of the Member, the Board will cause to be prepared and will approve a comparative financial statement for the Agency presenting the Agency's financial position as at the end of the fiscal year just ended and as at the end of the year preceding it, and the results of its operations and its cash flows for the year and the previous year. One (1) copy of each such statement, together with the auditor's report, must be sent to the Member at least fourteen (14) days before the date of the annual meeting.

ARTICLE 14 – AUDITOR

- 14.01 At each annual meeting the Member will appoint an auditor to audit the accounts of the Agency. The auditor will hold office until the close of the next annual meeting.
- 14.02 The Board may fill any casual vacancy in the office of auditor.
- 14.03 The remuneration of the auditor will be fixed by the Board of the Agency.

ARTICLE 15 – NOTICES

- 15.01 Notice of any meeting of the Member, the Directors or of a committee may be provided by any of the following means:
- (a) by mail sent to the Member, each Director or member of the committee not less than fourteen (14) days (exclusive of the day on which the notice is delivered or sent but inclusive of the date for which the notice is given) before the meeting is to take place; or
 - (b) by electronic means such as e-mail or facsimile at least 48 hours before the meeting.
- 15.02 Notice of any meeting where special business will be transacted should contain sufficient information to permit the Member, the Directors or the members of a committee, as the case may be, to form a reasoned judgement on the decision to be taken.
- 15.03 Where the provisions of this By-law as to notice have been duly observed, the non-receipt of any notice by the Member, Director or committee member does not invalidate any proceedings or transactions at any meeting.
- 15.04 The Member, any Director or any member of any committee may at any time waive any notice required to be given under this By-law.

ARTICLE 16 – PLACE OF OPERATION

- 16.01 The Agency will carry on business in two or more provinces and will have a fixed place of business in more than one province.

ARTICLE 17 – NON-PROFIT NATURE AND OPERATION

- 17.01 All profits, income and property of the Agency are to be applied to fulfill the purposes of the Agency. No portion of the profits, income or assets of the Agency may be paid, transferred or otherwise made available, directly or indirectly, by way of dividend, bonus or otherwise, for the benefit of the Member of the Agency. But nothing in this Article is intended to limit or prevent the payment of reasonable and bona fide remuneration to the Member for services actually rendered to the Agency or for property conveyed to the Agency.

ARTICLE 18 – AMENDMENTS TO BY-LAWS

- 18.01 Amendments or additions to, alterations or repeal of these By-laws may be made by a resolution of the Member.