

CONDOMINIUM FACT SHEET:

BOARD OF DIRECTORS

What is the applicable legislation?

The current Act is [The Condominium Property Act, 1993](#).

The current Regulations are [The Condominium Property Regulations, 2001](#).

Both the Act and the Regulations contain all recent amendments and are available on the Queen's Printer website at www.qp.gov.sk.ca.

What is the board of directors?

It is a group of elected unit owners or their designates responsible for exercising the powers and carrying out the duties of the condominium corporation. Subject to any restrictions or direction given in the corporation's bylaws, a board shall exercise and perform the duties of the corporation including maintaining financial records and keeping minutes of meetings.

Section 39 of the Act

How is the board of directors elected?

A board of directors is created in accordance with the bylaws of the corporation. As such, there is not a standard answer to this question as it will depend on your corporation's bylaws. Your corporation may be acting under the default bylaws contained in the Regulations or may have a unique set of bylaws filed at the Corporate Registry at [Information Services Corporation](#). You may contact the ISC Customer Support Team toll free at 306-787-2962 or by email at corporateregistry@isc.ca for assistance in determining what bylaws have been filed.

If your corporation is acting under the default bylaws contained in the Regulations, the Act indicates that a board will be selected based on a majority vote of the owners of the units.

Subsections 37(1) and 41(3) of the Act

How many directors do we need on the board of our condominium corporation?

There is not a standard answer to this question as it will depend on your corporation's bylaws. Your corporation may be acting under the default bylaws contained in the Regulations or may have a unique set of bylaws filed at the Corporate Registry at [Information Services Corporation](#).

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If your corporation is acting under the default bylaws contained in the Regulations, the board is required to be between three-seven owners or their designates.

Subsection 5(1) of Part II, Bylaws, of the Appendix to the Regulations

Who can serve on the board of directors?

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If your corporation is acting under the default bylaws contained in the Regulations, the following is stipulated:

- the board member shall be at least 18 years of age;
- the owner may appoint a designate;
- if a unit has more than one owner, only one can sit on the board at a time;
- an owner who has not paid his condominium fees to the corporation is ineligible;
- an owner who is bankrupt is ineligible;
- an owner who is subject to a certificate of incapacity is ineligible; and
- an owner who has been convicted of an indictable offence for which he or she was liable to imprisonment for a term of not less than two years is ineligible.

Sections 5 and 6 of Part II, Bylaws, of the Appendix to the Regulations

What if we make a mistake when electing our board of directors?

If a defect in the election, appointment or continuance in office of a member of the board of directors is discovered, all acts done in good faith by the board are valid as if the member had been properly elected or appointed or had properly continued in office.

Subsection 37(2) of the Act

How can a member of the board of directors be removed?

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If your corporation is acting under the default bylaws contained in the Regulations, the corporation may remove a member of the board before the expiration of his or her term of office and appoint another individual in his or her place to hold that office for the remainder of the term. This has to happen by a majority vote of the owners on a resolution at a general meeting and cannot occur if the board consists of less than three individuals.

Section 9 of Part II, Bylaws, of the Appendix to the Regulations

Can someone in government assist me with an interpretation of our corporation's bylaws?

No. The interpretation of bylaws is the provision of legal advice. Lawyers employed by the government are unable to provide you with specific legal advice and therefore cannot assist you with the interpretation of your bylaws. If you are unable to resolve your concerns on your own, it is recommended that you seek legal counsel.

When is the first board of directors elected?

The condominium board gets elected at the first annual meeting. There are three ways for a first annual meeting to occur:

- a developer should convene the meeting to elect a board no later than one year after titles are issued pursuant to the condominium plan;
- if a developer has not convened the meeting to elect a board within one year of the titles being issued pursuant to the condominium plan, a request by a minimum of 25% of the owners can be made and a meeting shall be called by the developer within 45 days; and
- If the owners have requested a meeting and the developer does not convene the meeting within 45 days, the owners may then convene the first annual meeting. If the owners convene the meeting, they shall notify the developer at least seven days before the meeting.

Section 38 of the Act

What are the responsibilities of the board of directors?

The board has the following mandatory responsibilities:

- keeping proper books of account reflecting the receipts and expenditures;
- for each AGM, preparing the financial statements with respect to all moneys of the corporation and getting them audited;
- maintaining financial records of all the assets and liabilities of the corporation;
- submitting to the AGM any information determined by the board or required by a resolution passed at a general meeting;
- keeping minutes of its proceedings;
- keeping minutes of proceeding at general meetings;
- making the books of accounts of the corporation available for inspection by the owner or his/her representative within a reasonable time;

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- convening an AGM of the owners;
- making available to an owner for inspection any proxy provided to a board member within 90 days after the meeting in which the proxy was used; and
- ensuring that an annual report on the reserve fund is prepared and made available to the owners at the annual meeting along with a copy of the reserve fund study.

In addition, subject to any restrictions in the bylaws, a board shall exercise the powers and perform the duties of the corporation.

Sections 39 and 40, subsection 41.1(6), section 58.2 of the Act and section 51.5 of the Regulations

What are the duties of the corporation?

Subject to any restrictions in the bylaws, a board shall exercise the powers and perform the duties of the corporation including:

- enforcing its bylaws;
- controlling, managing and administering of the units and the common property and common facilities;
- keeping the common property, common facilities and services units in a state of good and serviceable repair and maintaining them properly;
- complying with notices of orders by the local authority or any other public authority requiring repairs to the buildings or work to be done with respect to the parcel;
- complying with any reasonable request for the names and addresses of the persons who are members of the board; and
- filing the annual return with the Corporate Registry commencing in April 2015.

Section 35 of the Act

What is a quorum for a board meeting?

There is not a standard answer to this question as it will depend on your corporation's bylaws. Your corporation may be acting under the default bylaws contained in the Regulations or may have a unique set of bylaws filed at the Corporate Registry at [Information Services Corporation](#). You may contact the ISC Customer Support Team toll free at 306-787-2962 or by email at corporateregistry@isc.ca for assistance in determining what bylaws have been filed.

A quorum is the minimum number of people who must be at a meeting to conduct business. If your corporation is acting under the default bylaws contained in the Regulations, a quorum of the board is two where the board consists of four or fewer members, three where it consists of five or six members, and four where it consists of seven members.

Subsection 13(2) of Part II, Bylaws, of the Appendix to the Regulations

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How does the board decide on a matter?

There is not a standard answer to this question as it will depend on your corporation's bylaws. Your corporation may be acting under the default bylaws contained in the Regulations or may have a unique set of bylaws filed at the Corporate Registry at [Information Services Corporation](#). You may contact the ISC Customer Support Team toll free at 306-787-2962 or by email at corporateregistry@isc.ca for assistance in determining what bylaws have been filed.

If your corporation is acting under the default bylaws contained in the Regulations, all matters are to be determined by a majority vote. In the event of a tie vote, the chairperson is entitled to a deciding vote in addition to his or her initial vote.

Subsection 13(1) of Part II, Bylaws, of the Appendix to the Regulations

Can a board decide on a matter without holding a meeting?

There is not a standard answer to this question as it will depend on your corporation's bylaws. Your corporation may be acting under the default bylaws contained in the Regulations or may have a unique set of bylaws filed at the Corporate Registry at [Information Services Corporation](#). You may contact the ISC Customer Support Team toll free at 306-787-2962 or by email at corporateregistry@isc.ca for assistance in determining what bylaws have been filed.

If your corporation is acting under the default bylaws contained in the Regulations, a written resolution signed by all members of the board has the same effect as a resolution passed by a majority of members of the board at a properly convened meeting.

Section 14 of Part II, Bylaws, of the Appendix to the Regulations

Is a board member insured?

The corporation is obligated to insure a board member or an officer against liability for any act or omission with respect to carrying out the functions and duties of the member unless it is shown that the member acted in bad faith.

Subsection 65(9) of the Act

What is the duty of disclosure of a board member in the event of conflict of interest?

A board member who has a direct or indirect interest in a contract or transaction to which the corporation is or will be a party has to:

- declare the nature and extent of his or her interest at the board meeting when the transaction will be considered;
- shall not vote with respect to that contract or transaction; and
- shall not be counted in the quorum with respect to that contract or transaction.

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If the board member did not have a direct or indirect interest when the contract or transaction was first considered but later acquires a direct or indirect interest, he or she must disclose the interest in the next meeting of the board.

If the contract is such that approval is not required in the ordinary course of the corporation's business, the member should disclose the interests at the next meeting of the board after the member becomes aware of the interest.

If the transaction is a purchase or sale of property and the property was bought within the last five years before the expected purchase or sale, the board member shall also disclose the cost of the property to the purchaser and the cost of the property to the seller.

There is no disclosure requirement if the interest of the board member is not material to the transaction. Additionally, if the interest solely relates to the remuneration to the board member, then there is no conflict of interest.

Sections 48-53 of the Act

Is there a way to salvage the contract or transaction if the board member did not disclose the conflict?

Yes. It is possible to if the member acted honestly and in good faith, but a special confirmation procedure has to be followed. Confirmation occurs by being approved by two-thirds of the owners at a meeting. The meeting has to be called for the purpose of confirming the contract or transaction and prior notice of the meeting has to have occurred and has to have explained in sufficient detail the nature and extent of the member's interest.

Section 52 of the Act