

Conexus Credit Union 2006 Bylaws – Explanation of Proposed Bylaw Changes

Conexus Credit Union Board of Directors engaged in a comprehensive review of the Conexus Bylaws throughout 2018 and are recommending the following amendments to the membership for approval. Below is a description of each amendment. The proposed changes will be presented at the Annual General Meeting on April 16, 2019. The voting period will begin at the meeting and continue for a one week voting period, concluding at 4 p.m. on April 23, 2019.

Section 1.1 – Defined Terms:

- 1.1 (c) 'At Large' is added as a defined term to reflect the removal of electoral districts and explain the elected position of director in the new 'At Large' model.
- 1.1 (e) 'Basis of business done with or through the Credit Union' is deleted as this defined phrase is not used in the Bylaws.
- 1.1 (f) 'Business Area' is removed since there is no longer the need to be explain geographic district eligibility for voting or running for the Board.
- 1.1 (h) 'Key Management Person' is removed as it is not used as a term in the revised bylaws. It is replaced to mean 'an employee or Director' and shown in Section 5.3 (h) under Qualifications of Director.
- 1.1 (i) 'Primary Account' is removed since the location of a members primary account will no longer need to be within a specific geographic district. Having a membership and an account with Conexus regardless of the location is required and already explained in 5.3 (a) and (b).

Section 5.2 – Election of Directors:

All sections pertaining to the district structure are removed and replaced with a section noting that all directors will be elected at large (subject to approval). The two statements that remain clarify the At Large model and the requirement for members to elect 11 directors.

Section 5.3 – Qualifications of Directors:

- 5.3 (d) - Improves the language respecting credit standing requirements for nominees and directors, not only at Conexus but any financial institution the nominee or director may deal with.
- 5.3 (h) – Removes the term 'Key Management Person', clarifying that any nominee or director cannot be a spouse or common law partner of an employee or director of the credit union.
- 5.3 (i) – An additional clause in alignment with *The Credit Union Act, 1998* indicating the requirement that a nominee must qualify for and a director must maintain a fidelity bond during their term, if elected.

Section 5.4 – Nominations of Directors:

5.4 – All references to the district structure are removed. The process supporting the nominations process will remain, though is presented more clearly.

Section 5.5 – Conduct of Elections:

5.5 (c) – Changes have been made to provincial model bylaws which allow the voting to period to be up to 21 days, rather than the former 14 days. In most cases, Conexus has allowed voting to occur for 14 days. It is possible that some changes could require increased support, ensuring confidence in a Resolution. This amendment gives the option for the voting time frame to be extended beyond the 14 day voting period.

5.5 (f) – Subject to approval of the proposed amendments, members will have the choice to be able to vote for up the number of candidates as there are openings, rather than requiring members to vote for the number of directors to be elected. For example, if there are three openings, a member can vote for up to three candidates. If a member chooses to only vote for one candidate, the one vote will be accepted, not spoiled.

Section 5.6 – Term of Office:

5.6 – Provides clarity that a Director's current term limits will continue after the Bylaw amendment is changed (subject to approval). Director has been added to replace board member to ensure consistency through the document.

Section 6.4 – Meeting at More than One Location:

6.4 – The language has been amended to reflect that the district structure will no longer exist.

Section 6.10 – Quorum:

6.10 – The recommendation is to increase quorum to be 25, rather than 15. This larger number compares with other credit unions included in Conexus' national comparator group.

Article 13 – Business with the Credit Union:

13.1 - Includes a minor amendment which removes reference to the district structure.