

## Questions and Answers – 2019 Proposed Bylaw Amendments

### **Why does Conexus want to change its governance structure?**

We haven't proposed amendments to our bylaws since 2013 when we amalgamated with Midale Credit Union. It's been even longer since we've done a proper review and made substantial changes to our bylaws. Meanwhile, our environment continues to evolve and the job of a credit union director is much more complex than it once was.

As we move into the future, the focus on where a candidate lives could get in the way of attracting the right candidate for the job. We also know that over 12,000 eligible voting members live outside of the district boundaries, making those boundaries somewhat arbitrary.

Most important, the change simplifies the process for members, allowing them to engage in the democratic process either as a candidate or voter each year – no matter where they live.

### **Were other governance structures considered? What are the benefits of an At Large governance structure?**

We did consider other models. The board feels eliminating district boundaries is the best way to create the most engaging and standardized voting structure for members. The district structure wasn't really working for us. Our voter turnout has not been as robust as we would like it to be and we've come close to having no candidates run in some districts certain years.

We believe that removing district boundaries simplifies the process for candidates and voters alike. Anyone can run at any time and all eligible voters can participate every year. No more wondering if it's your year to vote, something that's been especially confusing for members who live in districts that don't have an election every year and for the more than 12,000 members (approx. 12%) who live outside our current district boundaries.

## **What can I expect to be different because of the amendments?**

The biggest difference is that any qualified member will be able to run for election to the board each year, no matter where they live, and all eligible voting members will have the opportunity to vote every year, no matter where you live.

Members will be able to vote for up to as many candidates as we need to fill positions on the board. For example, if there are three openings on the board, eligible Conexus members will be able to vote for up to three candidates.

## **I live in Prince Albert and appreciate having a local representative on the board. What is Conexus doing to ensure all geographic voices are considered on the board?**

We agree that it's important for our board members to come from across the province. To help make sure voting members consider this and other factors, our nominating committee will recommend candidates each year who may have more of the competencies, experience and diversity needed on the board.

This will help members elect a board that's diverse in a number of ways, including:

- geographic representation
- urban/rural
- competencies and experience
- point of view
- ethnicity
- gender

## **How will you recommend candidates?**

Each year, our board determines the competencies, experience and diversity of the current board through an assessment tool. The call for nominations is intended to attract nominees who have some of the attributes the board needs each year. The nominations committee will recommend candidates that align with the competencies, experience and diversity the board is seeking at that time.

The committee may recommend up to two times the number of vacancies on the board. The committee will also consider factors like location, gender and ethnicity when recommending candidates.

Recommending candidates will give further insight for members who may not know who to vote for or what skills the board is seeking. It's really about recommending candidates that most closely meet the skills, competencies, diversity of experience and views needed on the board.

## **Is it possible that some candidates won't be recommended?**

Yes, it's possible that some candidates may not be recommended, though they're certainly still encouraged to run. At times, the board has difficulty attracting candidates in some districts, while there are several in others. Without district boundaries, that won't be an issue.

Most important, we're trying to create a more member-centric experience where every eligible member can participate in the democratic process every year, rather than only when there's an election in their district. Right now, members in districts outside Regina vote infrequently. We hope to make it more consistent and do what we can to increase member engagement.

Recommending candidates is becoming more common within the credit union and co-operative sector. It's a way for the board to help members participate in the democratic process by providing them with information to help them with their voting decision.

One of our Member Voice surveys showed that one of the main reasons for not voting is not knowing the candidates or who to vote for. Recommending candidates is intended to provide members with more information though ultimately members have the final say in who's elected to the board.

For the board, this is about making sure directors have a diverse combination of skills knowledge, personal attributes and other characteristics, including geographic, rural/urban representation, to help steer Conexus into the future.

## **Do these changes mean the board members we've had to this point didn't have the appropriate skills and experience?**

No. It's really about setting us up for the future. Boards are under increased scrutiny these days and face higher expectations from regulators, the general public and our members. As our business becomes more complex, so does the role of our directors. The board is proposing these changes to make sure location doesn't hinder attracting the best candidates for our members to elect as their representatives on the board.

## **Why is quorum set at 25?**

When we compared ourselves to other credit unions of similar size and scope, we noticed they set quorum slightly higher than ours is now (15). At the same time, we want to avoid making the number so high that we run the risk of not having quorum at our meetings, which would mean members couldn't make any decisions. Because of this, we felt a moderate increase was justified.

## **Who's eligible to vote for the proposed bylaw amendments? And when will the vote take place?**

All eligible members can vote on these amendments. Information will be available online at <https://www.conexus.ca/AboutConexus/Leadership/AGM/>. You can vote on the amendments whether you attend the annual meeting or not.

We'll also present and discuss the proposal at our Annual General Meeting on **April 16**. The voting will be open for seven days through the usual methods: online, mobile, or paper ballot in your nearest branch. If you're at the AGM, we'll also accept your paper ballot at the end of the meeting.

## **How can we vote for these amendments?**

We'll verbally present the amendments at the AGM meeting. You can attend the annual meeting in person or by joining online through webcast from any location. Voting will open toward the end of the meeting. We encourage you to vote online or through mobile devices any time after that. If you're at the AGM in Regina, we'll accept your paper ballot before you leave the meeting.

You can visit any branch and vote by paper ballot if you don't have a home computer or device. Business members will also need to vote in branches using a paper ballot. Voting will be open until **April 23 at 4 p.m.**

## **How many members are required to support the changes?**

We'll require three-fourths or 75% of eligible voters who choose to vote, to support the bylaw amendments by voting 'Yes'.

## **What if I'm opposed to one of the proposed amendments? Can I vote in favour of some and not in favour of others?**

Our board is recommending all of the proposed amendments to the membership. Therefore, the question is posed as yes (I support the bylaw amendments) or no (I am not in support of the bylaw amendments).

## **Does this mean members would elect an entirely new board in 2020?**

No. All director's terms will continue until they expire. Each director is elected for a three-year term and can seek re-election at the end of his or her term. Directors can be elected for up to three consecutive, three-year terms for a total of nine consecutive years. This hasn't changed. The difference is that candidates would come from throughout the province and would be elected by all eligible voting members. As terms for current directors expire, those positions would be elected using the new at large approach.

Board terms will continue to be staggered, ensuring continuity and succession planning are reflected. Most years, members are asked to elect three of 11 directors. Every third year, members are asked to elect four of 11 directors.