

SGM BUSINESS SUMMARY

AT A GLANCE

What's happening?

We're proposing amendments to our bylaws to reflect changes to our board governance model. The Board of Directors have called a Special General Meeting (SGM) to be held September 16, 2020 at 2:00 pm to present proposed bylaw amendments to the membership for approval, as required by the Credit Union Act.

Special General Meeting: September 16, 2020 at 2:00 pm

To approve the resolution to amend proposed bylaws.

Why?

The last time we reviewed our governance model was in August 2018 when we merged with Mountain View Financial. At this time, creating a mix of "at large" and divisional board seats was very consistent with our unique operating model and our approved strategic direction. With the change in operating model from multi- to single-brand, continuing the governance practice of "at large" and divisional seats means we would no longer be aligned with how the credit union is being run.

In addition, we are taking the opportunity to correct an error in the current bylaws, relating to the number of directors, that was approved at the time of the merger with Mountain View. The original intent had been to maintain the range from the 2014 Connect First Credit Union Bylaws of between 9 and 18, versus creating a new range of between 12 and 18.

Member Feedback

- We had our first elections using this model early 2020 and received a lot of member feedback that our current governance structure and approach ("at large" and divisional seats) with multiple ballots was very confusing.
- Further understanding was needed around the divisional election and the "at large" election processes.

Ensure governance excellence

- As our industry becomes more complex and regulated, we need to make sure we have a diverse board with a range of talent, skills, experience and perspectives to help lead us into the future. This change in governance model provides more of our members the opportunity to apply for a board role.
- To reflect this change, the Connect First Credit Union Board is recommending a governance model in which directors are fully “at large” rather than a mix of both “at large” and divisional seats. Under this proposed new governance structure candidates to the board are drawn from across the general membership and not constrained by being a member of a specific division when competing for a seat on the board.
- Eligible and qualified candidates will continue to be recruited based on skill, knowledge, experience and diversity.

Align with Organizational Change

- Right now, Connect First Credit Union operates with four member facing brands:
 - Chinook Financial
 - First Calgary Financial
 - Legacy Financial
 - Mountain View Financial
- At our last AGM (March 2020) we announced our plan to move to a single brand, Connect First Credit Union, across all of our divisions and branches
- The proposed change in board governance reflects and supports the direction Connect First Credit Union is taking.

What will change?

The most impactful change will be the removal of a requirement for divisional seats, so that all of our Board seats will be “at large”. This is the most common approach other credit unions, corporate boards and co-operatives take with their board governance.

Bylaw Amendments

This is a detailed list of exactly what has changed in the Bylaw wording:

- Remove reference to “at large” and divisional directors and re-letter subsequent points
- **8.1** Change minimum number of directors from 12 to 9

- **8.2** Change “providing” to “unless” (housekeeping) and remove point ‘c’ regarding divisional directors and re-letter subsequent points
- **8.5** Change reference to **9.8 to 9.7** due to renumbering of section 9; remove second paragraph speaking to term staggering and divisional representation
- **9.3** Remove in its entirety as it speaks to designation of divisions and at large directors; **renumber remainder of section 9**
- **9.7** Change reference in first sentence from **9.7 to 9.6** due to renumbering

How do I vote?

Any eligible member can attend the Special General Meeting, to join the conversation, ask questions and submit their vote regarding the proposed Bylaw changes.

In compliance with the Credit Union Act and CFCU bylaws, an eligible member must:

- Be the age of majority i.e.: at least 18 years of age
- Have an active membership with Connect First Credit Union prior to the voting cutoff date of March 31, 2020.

The Board of Connect First Credit Union will be recommending a motion to the membership to support the proposed Bylaw changes.

Connect First Credit Union Special General Meeting of the Members

September 16, 2020

Virtual Zoom Meeting | Online Live Vote

(Deadline to register Saturday, September 12, 2020)

1:30 p.m. Virtual Lobby open to join the meeting

2:00 p.m. Call to Order; Meeting Starts.

Connect First Credit Union uses the widely known Robert’s Rules of Order as its best practice and governance guide for running public meetings. Aligning with the new 12th Edition (available September 15, 2020), that provides for increased guidance on electronic meetings, each member is responsible for his or her audio and internet connections; no action shall be invalidated on the grounds that the loss of, or poor quality of, a member’s individual connection prevented participation in the meeting.

Requirement to attend/vote: *Zoom Guest Access through desktop or mobile app, internet access, audio, SGM registration using valid member email address. You can test Zoom with your devices by clicking [here](#).*