

Covering Memo Regarding Agenda Items:

5.3. Approval of By-Law 2014-5A

5.4. CNCA Transition

RECOMMENDATION: The EOC recommends approving By-Law 2014-5A (replacing By-Law 2009-5) to address a potential issue under the new Canada Not-for-profit Corporations Act (CNCA) that would allow current non-voting members (ie. Associate Members) a vote on some important matters.

BACKGROUND

- The new CNCA allows members in non-voting membership classes to vote on some important matters ie. certain amendments to membership classes, rights and conditions; or decisions to amalgamate or dissolve the corporation. This vote would occur at the Annual Special Meeting (June 10);

Current State:

- CAFII Bylaw 2009-5 provides for 3 classes of members:
 - a. Foundation Members: BMO, CIBC, National, RBC, Scotia, TD (not all were original founding members)
 - b. Voting Members: AMEX, Assurant, CPL, Desjardins
 - c. Associate Members: Others such as Avalon, Canada Life, etc.*Currently, only CAFII Foundation and Voting members have voting rights.*

- EOC does not believe the CAFII board wishes to extend such voting rights to Associate Members

PROPOSED ACTION:

Objective:

- Make changes to remove the non-voting membership class of Associate Members
- Redefine these corporations as “Associates”
- Set out in a corporate policy, CAFII’s terms of recognition, regarding these affiliated corporations.
- Make these changes without requiring the approval of current Associate Members

Proposed Approach:

2 step approach:

1. *Approve CAFII By-law 2014-5A before considering the requirements for continuance under the CNCA during the Board meeting on April 8. This involves:*
 - A. BOARD AGENDA ITEM 5.3: Introduce By-Law 2014-5A for approval by Board, in effect deleting the Associate Member class. All existing Associate Members will automatically be deemed Associates and are not a class of membership.
It is not necessary for Associate Members to be made aware of this change, nor do they have any right to vote on it
 - B. Hold Special Meeting of Foundation Members (similar to handling of AGM) to confirm By-Law 2014-5A. Changes to membership classes must be confirmed by 2/3 majority of Foundation Members (as per current By-Law 2009-5).
2. BOARD AGENDA ITEM 5.4: *Approve Articles of Continuance and Proposed Bylaw #1 (which does not include Associate Members) to be sanctioned by all members at the Annual & Special Meeting on June 10.*

If Step 1 and 2 are not completed on April 8, it would be necessary for all members (including Associates Members) to vote on a motion to remove the Associates Members as a voting membership class at the Annual and Special Meeting on June 10.