PROPOSED AMENDMENTS to CNA’s LETTERS PATENT and BYLAWS

Dear Members:

In 2011, the federal government proclaimed the *Canada Not-for-profit Corporations Act* (NFP Act), which brings a significant change to the current legislative regime pertaining to not-for-profit organizations, giving it an effective date of October 17, 2014. The new act means that the Canadian Nurses Association (CNA), along with every not-for-profit corporation currently governed under Part II of the *Canada Corporations Act*, will have to formally make the transition to the NFP Act through an application for continuance. If the corporation fails to meet the 2014 deadline, it will cease to exist.

When the corporation files its application for continuance, it may include amendments to its current letters patent (referred to as “articles” under the new act) and bylaws. Both the board and CNA members must approve the corporation’s application for continuance as well as any changes to the articles and bylaws. Once in compliance, Industry Canada will issue CNA a Certificate of Continuance, and CNA will then be governed by the NFP Act on the certificate’s date of issuance.

During the last year, the CNA board has deliberated on changes to its governance and membership class structure as CNA moves toward compliance with the new act. From these deliberations, the board has approved the proposed bylaw changes that are shown below.

Please review these proposed changes in preparation for a vote by members at the annual meeting on June 19, 2013.

Yours sincerely,

Rachel Bard, RN, M.A.Ed.
Chief Executive Officer

1. LETTERS PATENT — CLAUSE D

It is recommended that the Canadian Nurses Association (CNA), in preparation for applying for continuance pursuant to the *Canada Not-for-profit Corporations Act* (NFPAct), apply to the Canada Minister of Industry for Supplementary Letters Patent pursuant to Part II of the *Canada Corporations Act* (CCA) to amend Clause D of the Letters Patent as follows:

“The membership of the Corporation shall be divided into such classes as may be established by bylaw and shall consist of: Association of Registered Nurses of British Columbia, College and Association of Registered Nurses of Alberta, Saskatchewan..."
Registered Nurses’ Association, College of Registered Nurses of Manitoba, Registered Nurses’ Association of Ontario, Nurses Association of New Brunswick, College of Registered Nurses of Nova Scotia, The Association of Registered Nurses of Prince Edward Island, Association of Registered Nurses of Newfoundland and Labrador, Registered Nurses Association of the Northwest Territories and Nunavut, and Yukon Registered Nurses Association, or their respective successors and assigns. and such other persons or entities as may become members of the corporation.”

So that Clause D of the Letters Patent would read:

“The membership of the Corporation shall consist of: Association of Registered Nurses of British Columbia, College and Association of Registered Nurses of Alberta, Saskatchewan Registered Nurses’ Association, College of Registered Nurses of Manitoba, Registered Nurses’ Association of Ontario, Nurses Association of New Brunswick, College of Registered Nurses of Nova Scotia, The Association of Registered Nurses of Prince Edward Island, Association of Registered Nurses of Newfoundland and Labrador, Registered Nurses Association of the Northwest Territories and Nunavut, and Yukon Registered Nurses Association, or their respective successors and assigns.”

Rationale
The proposed amendment to Clause D would remove any ambiguity as to who CNA members are. Which is to say, it will make clear that CNA members are only those listed in the amended Letters Patent (i.e., CNA’s provincial and territorial jurisdictions). Those listed would be the only voting members of CNA, and only these members would have to vote to authorize the application for continuance. To achieve this clarification, the board recommends the amendment to clause D of the Letters Patent. No related changes to the bylaws are required at this time.

Proposed motion:

THAT the proposed amendments to Clause D of the Letters Patent be approved as shown:

“The membership of the Corporation shall be divided into such classes as may be established by bylaw and shall consist of: Association of Registered Nurses of British Columbia, College and Association of Registered Nurses of Alberta, Saskatchewan Registered Nurses’ Association, College of Registered Nurses of Manitoba, Registered Nurses’ Association of Ontario, Nurses Association of New Brunswick, College of Registered Nurses of Nova Scotia, The Association of Registered Nurses of Prince Edward Island, Association of Registered Nurses of Newfoundland and Labrador, Registered Nurses Association of the Northwest Territories and Nunavut, and Yukon Registered Nurses Association, or their respective successors and assigns. and such other persons or entities as may become members of the corporation.”

2. BYLAWS

A. Voting at annual and special meetings of members
The current CNA bylaws regarding voting at an annual or special meeting do not provide for electronic balloting to voting delegates when they are not in the facility room where the annual or special meeting is taking place (whether in same building, city or elsewhere).

If approved, the bylaw will be able to offer electronic balloting to voting delegates at the annual meeting in 2014 (when new articles and bylaws to comply with the NFP Act will be presented) and in situations where voting delegates are not in the facility room where the annual or special meeting is taking place (whether in same building, city or elsewhere).

Proposed motion:

**THAT the current bylaw 2.18 be replaced with proposed new wording as shown:**

**2.18 Voting on Resolutions and Motions:** Voting shall be by electronic recorder or by voting cards if the electronic system fails.

- In any voting by electronic recorder or show of voting cards, the chair of the meeting shall if necessary, take required steps to ensure accuracy of count and announce the results.

- All motions or resolutions shall be decided by a two-thirds (⅔) vote.

**PROPOSED NEW BYLAW 2.18:**

**2.18 Voting**

**2.18.1 Voting In Person at Annual or Special Meetings:** Voting in person at annual or special meetings of members:

(a) shall be by electronic recorder, or by voting cards if the electronic system fails; and

(b) the chair of the meeting shall, if necessary, take required steps to ensure accuracy of count and announcement of results.

**2.18.2 Electronic Meetings and Voting:**

**2.18.2.1** An annual or a special meeting of members may be held either:

(a) entirely by telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously (the “Facilities”); or

(b) partly by means of the Facilities and partly by means of personal attendance at such meeting,

if two-thirds of the voting delegates who are registered nurses, from the jurisdictional members which are current members in good standing of CNA, consent:

(i) in person at such meeting;
(ii) by means of the Facilities; or
(iii) by e-mail or mail, received by CNA in advance of the start of such meeting pursuant to paragraph 218.3.1 hereof,

and a voting delegate, from a jurisdictional member in good standing of CNA, participating in such a meeting by means of the Facilities shall be deemed to be present in person at that meeting for the purposes of this bylaw.

2.18.2.2 If an annual or a special meeting is held either entirely or partly by means of the Facilities, voting delegates participating by means of the Facilities must either be identified by voice communication or must verify her or his identity by means of an electronic verification system that confirms her or his identity for purposes of establishing quorum for the meeting and for purposes of recording each vote by such voting delegate.

2.18.3 E-mail Ballots or Mail Ballots:

2.18.3.1 The board may give voting delegates who are registered nurses, from the jurisdictional members which are current members in good standing of CNA, the right to vote by either e-mail ballot or mail ballot on any particular question prior to a deadline set by the board, without such voting delegates attending an annual or special meeting of members in person or by means of the Facilities, provided:

(a) voting delegates are provided with notice of the question upon which they are voting in advance of the vote;
(b) voting delegates verify their identity by means of an electronic or mail verification system that confirms their identity; and
(c) the total of e-mail and mail ballots received by CNA on the question prior to the deadline set by the board equals the quorum required for an annual or special meeting of members.

2.18.3.2 Notwithstanding paragraph 218.3.1 (c) hereof, should the question be the consent required pursuant to paragraph 218.2.1 hereof, the total of e-mail and mail ballots received by CNA on the question prior to the deadline set by the board shall be added to the number of voting delegates attending the annual or special meeting of members in person and the number of voting delegates participating in such meeting by means of the Facilities to determine quorum.

2.18.3.3 Notwithstanding paragraph 218.3.1 hereof, the following matters must be dealt with at an annual or special meeting of members, including such meetings by means of the Facilities, and cannot be decided upon by use of an e-mail or mail ballot:
(a) approval of changes to the corporation’s Letters Patent;
(b) change of head office;
(c) request by a director of the corporation for indemnification by the corporation;
(d) conflict of interest issues;
(e) confirmation of contract by members despite conflict of interest;
(f) the holding of annual meetings
(g) the appointment of an auditor; and
(h) approval of change to the corporation’s bylaws.

2.18.4 Majority Required: All motions or resolutions shall be decided by a two-thirds majority vote.

B. Advisors
• The board has engaged in a number of meetings and retreats to fully understand the requirements of the new NFP Act and to consider the necessary changes for CNA to best meet its mission and objects in the years to come.
• The board has reflected on its fiduciary role to carry out CNA’s current governance work and has made recent changes to help align governance decisions with the directors who hold that fiduciary responsibility.
• CNA’s current board and membership structure are not compliant with the requirements of the new NFP Act. In particular:
  a. CNA is limited under the new act to having one-third of its board members sit as appointed members. The recommended models describe ways to ensure pan-Canadian jurisdictional representation at the board table.
  b. Since all advisors are appointees, to be compliant with the new act CNA must discontinue the practice of having advisors join their presidents during board meetings. In fact, the new act does not contemplate an advisory role on a board and is explicit about the proportion of board members that can be appointed and the proportion that must be elected.
• At the annual meeting in June 2013, members will choose the preferred governance model. Once that decision is made, the board will be able to focus on developing the new bylaws that must be presented to the members at the June 2014 annual meeting.
• It is believed that having those with the fiduciary responsibility carry out this work (as a team) is in the best interests of CNA as the process goes forward.

Proposed motion:
THAT the bylaw 3.12 Advisors be deleted as follows:

3.12 Advisors: The executive director of a jurisdictional member or the person holding a similar position (or an alternate) shall be invited to attend meetings of the board as an advisor to the director representing such jurisdictional member, but shall not be entitled to vote thereat.