

Proposed Changes/Amendments to Cornerstone Credit Union Bylaws



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A summary of the recommended changes and a clean copy of the proposed bylaws have been included in this package. In addition to the summary outlined below, the recommendation also includes various numbering and formatting changes to align more closely with the format of other credit union bylaws.

The entirety of the proposed changes are outlined in the redlined version of the current bylaws, which is available for review on our website: [Current Bylaws - Redlined \(cornerstonecu.com\)](https://cornerstonecu.com).

Summary of Proposed Changes/Amendments to Cornerstone Credit Union Bylaws

Cornerstone's Board of Directors & Management are recommending adoption of an At Large Representation model for the election of directors. In this model, members of the board of directors are elected by the whole membership. All members would elect all members of the board of directors. There are no restrictions or limitations on where those directors come from or who they represent and no restrictions on who members can vote for. Currently, directors are elected as representatives of one of three geographic regions (i.e. District 1 – Ituna, Kelliher, Rose Valley, Tisdale, Wynyard and Yorkton; District 2 – Arcola, Emerald Park, Indian Head, Kipling, Montmartre and Vibank; and District 3 – Grenfell, Melville and Wolseley) and only those members residing in those communities are eligible to vote for their representative(s).

The importance of strong corporate governance has grown as credit unions become increasingly complex. Our regulators are expecting credit unions to place greater emphasis on ensuring directors have the collective skills, background, and experience to oversee credit union operations in an increasingly complex and changing landscape. As Cornerstone Credit Union continues to grow, so does the need for a diverse board with skills, background, and experience to oversee the evolution of Cornerstone Credit Union. The board of directors and management believe an "at large" model of director representation, best positions the organization to achieve this objective. The At Large model provides the ability to elect candidates from a wider pool of diverse experiences, competencies and skills, without the limitations of a geographic or district model. It is simple and easy to understand. While an at large model does not guarantee regional representation, it provides the greatest opportunity to attract directors with the diverse skills, experience and expertise needed to provide effective corporate governance.

A 3 year transition period to fully implement the at large model, will be used to ensure board continuity and prevent significant board turnover. As director's terms expire, new candidates will be elected using the at large approach. In 2025, 4 directors will be elected at large, with the remaining 8 directors continuing to represent their respective regions. In 2026, 4 more directors will be elected at large and in 2027 the remaining 4 will be elected at large.

Other specific changes include:

5.2 Election of Directors

Directors shall represent and be elected At Large. Members will elect 12 directors. All District wording has been removed.

5.5 Conduct of Elections

Polling stations were addressed in the first sentence.

6.4 Meetings at More than One Location

The move to At Large eliminates the need for members to attend and vote at meetings within their District. Members may attend and vote at any one location of their choice.

6.11 Voting on a Fundamental Change

Removal of reference to a polling station.