

Q: Is there a conflict of interest to have the current Secretary of the Corporation (Elsie Edwards) listed as the default proxy-holder for the proxies?

A: No. The way in which the proxy forms have been developed, the Member must choose between Option A and Option B. There is no flexibility for the proxy-holder to change the choice made by the Member. It is the Member's decision and the proxy-holder must vote as directed at the special meeting of members. This means that it does not matter who the proxy-holder is; the proxy-holder is only acting as the depository of the proxy.

The purpose of having a default proxy-holder is to avoid the unfortunate situation where a Member submits a fully completed proxy, except for naming the proxy-holder. By including a default proxy-holder, assuming the proxy is completed correctly in all other ways, the proxy will still be valid.

It is common practice to include the Secretary of the Corporation as the default proxy-holder. The Secretary will be in attendance at meetings of the members since it is one of the Secretary's duties to attend all meetings and act as secretary at such meetings.

Q: Who will be handling/counting the proxies?

A: All proxies are to be delivered to the Secretary of the Corporation (Elsie Edwards). The Corporation will be securing scrutineers to evaluate the proxies to determine if each meets the conditions set out in the instructions and counting the proxies. The Scrutineers will prepare a Scrutineers' Report which will be presented at the special meeting of Members. The Scrutineers will be independent to the Corporation, meaning they will not be directors, officers, members, or staff of the Corporation or any Branch or Chapter of the Corporation.

Q: What does it mean in the instructions to the proxy when you say:

If you complete and submit a proxy form but then register and attend the special meeting, your proxy form is void and of no effect and you are not required to vote at the meeting the way that you voted on the proxy form.

Does it mean that if a member votes ahead by proxy AND registers and attends the special meeting that our proxy is voided simply by attending?

A: Yes. If a member votes ahead by proxy and then registers and attends the special meeting, the proxy is voided.

The proxy is not a ballot which is a specific type of advance voting. With a ballot, it is contemplated that members would vote in advance and then the ballots are counted and reported at the members' meetings. Members may attend such meeting because the matter voted on by ballot will not be raised again at the meeting except to report on the results of the ballot.

The proxy, on the other hand, is an alternate form of voting when the member is unable to attend the members' meeting and vote for him/herself. The instructions on the proxy form are to assure members that submitting a proxy because they do not think that they can attend the meeting does not preclude the member from actually registering and attending the meeting and voting at the meeting through the voting system provided. It is

a matter of corporate law that presence at the meeting automatically voids a proxy on the basis that the proxy is not needed if the member is in attendance at the meeting.

Q: Can a Member register for the special meeting and attend, but just attend to listen?

A: No, the corporate law does not contemplate attending for the purpose of listening. While it is true that the majority of members who attend members' meetings do not actively participate in the meeting by speaking to issues, the corporate law equates participation with attendance and voting.

Each member's choice is: (i) vote by proxy and do not attend the meeting; (ii) attend the meeting and vote (or abstain from voting, which is also a choice); (iii) submit a completed proxy with the intention of not attending the meeting, and then attend the meeting and vote through the voting system provided and thereby the proxy becomes void.

Q: Why would the Board of Directors state in the FAQ that the email server was not under its control, and why did the Board of Directors state in the FAQ the specific purposes it requested to view the membership list in recent months?

A: A statement had been made that the Board of Directors was in control or had taken control of the email server, and that names of members had been removed from the membership database. This statement was ominous and the Board of Directors wanted to be open and upfront with the Members of the Corporation about the purposes for which it needed to view the membership list.

The Board of Directors of any corporation, in discharging its duties to the corporation, has the obligation to oversee the operations of the corporation. The corporate law describes the obligations and duties of the Board of Directors as "managing or supervising the management of the corporation". The Board of Directors did not want to leave any impression with the Members of the Corporation that it was viewing the membership list of the Corporation for any purpose other than to discharge its duties of oversight of the Corporation. It is important for the Board of Directors of a corporation to delegate the day-to-day operations of the corporation to the staff of the corporation but to maintain an oversight role, including guiding and assisting the staff in the types of data that needs to be maintained in the membership list in order to comply with the corporate requirements for such lists. This is particularly critical in the absence of an Executive Director.

There have also been issues raised by members stating that some had not received mail-outs from the Corporation. In reviewing the membership lists and speaking with staff, the Board of Directors has determined that mailing addresses and e-mail addresses for some members are missing and that staff have been attempting to obtain this information so that such members will not miss out on important mailings. The Board of Directors and staff will continue to reach out to affected members in the coming days and weeks to attempt to obtain contact information in order to ensure that the membership list is complete and members get the mail-outs from the Corporation such as notices to members' meetings, etc. It must be noted, however, if members do not wish to provide this information, the Corporation cannot force them to provide such information. If we reach out to affected members (likely through the Branch or Chapter)

and if a member chooses not to provide contact information, the Corporation will have no way to reach such members to provide notice of meetings and other mailings.

Q: Is the involvement of the lawyer at any cost to the CHHA, or is this performed on a pro bono basis?

A: The involvement of the lawyer is not pro bono. The lawyer is required to provide advice as to process and procedure, as well as to answer legal questions leading up to the special meeting. This is an unusual situation. The process to set up the special meeting of members is a very technical and involved matter. The involvement of a lawyer with expertise in not-for-profit and charitable matters is important in order for the special meeting to be set up and held properly, legally, and in compliance with the *Canada Not-for-profit Corporations Act*, the Corporation's articles of continuance, and the Corporation's by-laws.