

How to: Running Elections for Directors



Introduction

The Ontario *Co-operative Corporations Act* requires that co-operatives follow particular procedures when running an election at an annual general meeting. The material below is designed to provide a basic outline of how to prepare for and run board elections for your co-op in different situations.

The number of positions on your board of directors will be indicated in your Articles of Incorporation. In some cases, this will be a fixed number (i.e. the board will have no less and no more than 11 people) and in other cases, a range will be indicated (i.e. the board will have a minimum of 5 directors and a maximum of 12, and any number of directors between those limits is acceptable). Other specific information on the makeup of your board, including terms of office, appropriate notice periods for elections, and acceptable quorum numbers for member and board meetings may also be found in the bylaws for the co-operative.

Director elections occur at the Annual General Meeting, which is an annual meeting of the members that must occur each year to allow members to receive reports from the board, approve audited financial statements, appoint the auditor for the next year and elect new directors.

Before the Annual General Meeting (AGM):

Regardless of how the election process will be run, the board should confirm the following information as part of preparing for the annual general meeting:

- How many members are eligible to vote?
- How many eligible voters need to be in attendance at the meeting? (i.e. is there quorum)
- Will the nominees be in attendance or not?
- Have the nominees been informed of the nomination and agreed to stand?
- Have you identified two volunteers to act as scrutineers? (scrutineers should be people that are not nominated for a position or involved in the election process in another capacity, so they can be truly impartial)

Striking a Nominating Committee

As part of succession planning and preparation for business meetings with members, a board of directors may wish to strike a nominating committee to assist with board recruitment and the nomination process. A nominating committee is a board committee that will seek out or recruit new candidates to sit on the board in the coming year. In many cases, a co-op will specify that the committee is made up of people that aren't current directors, or are directors that are leaving the board and not seeking re-election. The make-up and number of the nominating committee is ultimately up to the board, but it should be structured so that the participants on the committee are free of conflict of interest concerns (i.e. they are not directors up for election themselves, or potentially nominating a family member).

The nominating committee will usually process incoming nominations and then advise the board of the slate of candidates that are recommended for nomination at the next meeting. The committee should also vet each potential candidate to ensure that they are eligible to be directors under the *Co-operative Corporations Act*, and also under the

bylaws of the co-op (which may have additional criteria or restrictions related to serving on the board). At a minimum and in accordance with the Act, in order to serve on the board of a co-op, a person has to be:

- Over the age of 18
- Not mentally incompetent
- Not in a state of undischarged bankruptcy

In some cases the committee will work with the Secretary¹ of the Board to notify the membership that there are vacancies on the board and that elections will be held at the upcoming meeting.

The appropriate notice periods for the opening of the nomination period, the number of vacancies and the deadline for nominations will generally also be included in the co-op's bylaws and will form an important part of the pre-meeting planning process.

Elections vs. Acclamations

Generally, the process of filling vacancies on a board will occur in one of two ways:

1. In the case that there are more candidates than vacancies, there will need to be an election (cast by secret ballot) at the Annual General Meeting (AGM), where members vote by secret ballot for the candidates they wish elected to the board.
2. In the case that there are just enough candidates to fill the vacant spots (for boards with a fixed number) or less candidates than vacancies (for boards with a minimum and maximum number), directors can be appointed or acclaimed to the vacant spots, with an appropriate motion by the members present.

Scenarios to prepare for

There are a couple of different scenarios that a board should be prepared for in order to ensure that the AGM can be run smoothly.

1. In some cases, the board will know ahead of time that an election will be required, and can prepare the script and materials accordingly.
2. In other cases, the board may know ahead of time that an election is not required because there are fewer candidates than vacancies or just the right number of candidates to fill the vacancies, and there will be no nominations from the floor (see the later section on nominations from the floor for more information on this). The board can then prepare for a process where an election is not required, only a motion for appointing the nominated candidates to the board.
3. However, co-ops may accept nominations from the floor at the meeting, which may lead to an increase in the number of nominees occurring during the course of the meeting. Therefore, it may not be known going into the meeting whether or not an election is required. In this case, the board should be prepared to run a full election with secret ballots, even if the number of previously identified candidates heading into the meeting indicates that an election may not be required.

The following script outlines how the election of directors can be run based on the number of nominations and whether or not a full election is required.

¹ Secretary is one of the two prescribed officer positions on a co-op board of directors, and this position is responsible for keeping the official records and minutes of the co-operative.

Introducing elections at the meeting

The election of directors should be included in the agenda when it is drafted and provided to the membership for adoption. It is a standard component of any AGM agenda.

Confirmation of an Election Chairperson

Many co-ops will specify that an Election Chairperson (sometimes called a Returning Officer) will be appointed to conduct the election in the case that there are more candidates than vacancies. Even if not required by the bylaws, the Board may wish to run elections using an Election Chairperson to ensure impartiality for the process. This is especially true in the case that the existing Chair of the Board is sitting for re-election at the meeting.

If an Election Chairperson is required, the person needs to be confirmed by the voting members at the meeting. It is best to choose to select or suggest a person for this role in advance of the meeting, which will allow the person to prepare ahead of time. Even if a person is selected for this role in advance of the meeting, there will need to be a motion accepting the candidate as Election Chairperson. The chair of the meeting (the Chair of the Board) should introduce the person and explain that an Election Chairperson is needed for the election and if a candidate has been identified, introduce the candidate. Then a motion accepting the candidate can be requested.

Suggested text: "May I have a motion to accept Jane Doe as Election Chairperson for this election?"

The recorder for the meeting (usually the Secretary) will record the mover, the seconder and the results of the vote, noting any abstentions.

If the motion is carried, the Election Chairperson should then take over the chairing of this portion of the meeting. The Chair of the Board should indicate that the proceedings will be facilitated by the Election Chairperson for this portion of the meeting.

Inform the membership

Inform the membership of the number of total director positions available, and the number of vacant positions that are available at this election. If the positions available do not all have the same terms attached to them, indicate that as part of the introduction.

List the names of the nominees that have already been accepted prior to the meeting by the nominating committee or the board of directors. In the case that there are positions that have different terms, the Election Chairperson should list the nominees for the vacant positions separately.

Suggested text: "There are four vacant positions, and three of these positions are for three-year terms, and one of the positions is for a one-year term. Five people have agreed to stand for the three-year positions: Jane Doe, John Smith, Jim Jones, Mary Doe and Bob Clark. Two people have agreed to stand for the one-year position: Linda Johnson and Robert Williams."

It is a good idea wherever possible to have biographical information of candidates available to the voting members ahead of time, which can be prepared by a nominating committee. You may wish to also have a list of the candidates available at the front of the room or projected on the wall so that all attendees can see the names and their proper spelling.

Nominations from the floor

Nominations from the floor refers to the practice of accepting nominations at the meeting itself for candidates that have not been previously identified. If the co-op will accept nominations from the floor, nominations should now be opened.

The Election Chairperson should describe the required qualifications to sit as a director, which are generally indicated in the bylaws or the articles of the co-op. Generally this will include things like being a member in good-standing of the co-op, being able to fulfil the duties as required by the bylaws, an age restriction or Canadian citizenship. It may also be a

good idea to outline the basic duties and obligations of directors for the membership at this time— which would include things like expectations around meeting attendance, budget approval and reporting to members.

The Election Chairperson should call for nominations from the floor a total of three times.

If nominations are received, have a recorder record the names of each of the nominees. You may wish to do this on flip chart paper or on an overhead so that the names are clearly visible to the audience. The candidates will also have to confirm that they agree to stand for election.

Suggested text:

Election Chairperson: “John Doe, you have been nominated to stand for election to the board of directors. Do you agree to have your name stand?”

John Doe: “Yes, I agree to stand for election to the board.”

The Election Chairperson should then state that nominations are closed.

If no nominations are received, the Election Chairperson should state that since no nominations from the floor were received the original list of nominees is the complete list.

What if someone that isn't present is nominated?

The *Co-operative Corporations Act* states that nominees that are not present may still be considered in an election of directors. If the nominee is not present and has been previously identified as a candidate (usually by the nominating committee), they can provide something in writing that states that they agree to the nomination and will consent to serve if they are elected. If this is a nomination from the floor and the nominee has not had a chance to provide written consent in advance of the meeting, the election can still go forward with their name on the ballot. If the nominee is elected, they have 10 days to provide written consent that they will serve. If this written notice is not obtained with the 10 day window, the director will be deemed not to have been elected.

Confirmation of Scrutineers

If there are more candidates than positions, the Election Chairperson will state that an election for those positions will have to be held. Indicate to the attendees that there are volunteers to act as scrutineers, to oversee the counting of the ballots and reporting back to the Election Chairperson. A motion will be required to accept the volunteers as scrutineers.

Suggested text: “John Martinez and Jane Miller have offered to be scrutineers for the election. May I have a motion to appoint John Martinez and Jane Miller as scrutineers?”

The recorder for the meeting (usually the Secretary) will record the mover and the seconder.

Now that the list of nominees has been completed, the Election Chairperson should read the complete list of candidates, and confirm with each candidate that they are willing to stand. This can be accomplished by asking each nominee on the list to stand as their name is called, and the Election Chairperson will ask each in turn if they will stand for election. If a candidate indicates that they are NOT willing to stand, remove their name from the list.

In the case that an election is not required:

Now that all the nominations are in, the final determination can be made about whether or not an election is required. If:

1. The co-op has a fixed board and the number of nominees is the same as the number of vacancies (e.g. 2 nominees for 2 vacancies); OR
2. The co-op has a variable board and the number of nominees does not exceed the number of available vacancies (e.g. 4 nominees for 4 vacancies, or 2 nominees for 3 vacancies)

...then elections do not need to be held.

The Election Chairperson can declare that the available vacancies have been filled, and the Chair of the Board can call for a motion from the floor to accept the candidates as presented for the board.

Suggested text:

Election Chairperson: "As there are no further nominations, I declare that all vacant positions have been filled. Jane Doe, John Smith and Mike Jones are elected by acclamation to the board of directors of the co-operative. I now return the meeting to the Chair of the Board."

Chair of the Board: "May I have a motion to approve Jane Doe, John Smith and Mike Jones to the board of directors?"

The recorder for the meeting (usually the Secretary) will record the mover and the seconder.

New directors present to the membership

Regardless of whether or not an election is required, it is good practice to have each candidate make a presentation to the membership and provide some biographical information and speak to their interest in serving on the board. The elected candidates can do this once their nominations for board positions have been confirmed.

If an election is required:

If the number of nominees exceeds the number of vacancies, then an election by secret ballot will need to be held.

Amendments to Ballots

Generally, if the board knows before the meeting that there will be more candidates than vacancies and an election will be required, ballots can be created ahead of time. This may save time during the election process.

However, if there are nominations from the floor, or a previously nominated candidate withdraws their candidacy during the meeting, the ballots will have to be amended so that they list the correct candidates. If this is required, indicate to the membership that the ballots previously prepared and provided to them will need to have names removed or added. Showing a list on a piece of flipchart paper or projected using an overhead projector will allow voting members to amend the ballots themselves, which can save time.

Candidates present to the membership

Each candidate should be given the opportunity to make a presentation to the membership and provide some biographical information and speak to their interest in joining the board. The Election Chairperson can invite each candidate up (usually in alphabetical order) to speak.

Once the candidates have all had a chance to speak, the election process can begin. The Election Chairperson should indicate the rules for voting.

Suggested text: "Under the co-op's bylaws and in accordance with the Co-operative Corporations Act, this election vote is to be by secret ballot. Only co-op members can vote and only delegates with voting cards will be able to cast a ballot. If you believe you are eligible to vote and have not received a ballot or voting card, please raise your hand and a representative will come around to speak with you."

There should be representatives with a list of the current members available that can speak with those that require assistance, and can check their names against the list and determine if they are indeed eligible to vote.

Voting Procedures

The *Co-operative Corporations Act* governs how elections are to be run and how members must cast their vote. Members should vote for the same number of candidates as there are spots available, and ensure that they do not vote

for the same candidate more than once. For example, if there are three vacancies, each member must vote for three of the candidates listed – no more and no less.

The ballots should also be printed to show all the candidates for the vacancies with checkboxes besides them. That way, if a member marks more or less than the number required, it will be easier to determine if the votes were cast properly.

Suggested text: “There are three seats available for the three-year board positions. You must vote for three candidates for these positions, by ticking the box beside their name on your ballot. Marking any more or any less than three marked candidates will be considered a spoiled ballot.”

After a reasonable time, the scrutineers can circulate through the membership and pick up all the ballots and leave to count them. It may be useful to indicate to members that they should raise their hand once they have finished marking their ballots.

Depending on how long it may take to count the ballots, the board may choose to announce that the election results will be announced before the end of the meeting and continue with the business portion of the meeting. If this is the case, the Election Chairperson will return the meeting to the Chair of the Board to continue conducting the business of the meeting according to the approved agenda.

It may also be appropriate to call a small break while the ballots are counted, and then the announcement can be made after the break before continuing with the rest of the agenda.

Announcement of Results

Once the results are available, the Election Chairperson will indicate who the new directors will be for the board. The meeting will then be returned to the chair for the final motion.

Suggested text:

Election Chairperson: “Ladies and Gentlemen, your elected representatives on the Board are Jane Doe, John Smith and Mike Jones. Thank you to all candidates. I now return the meeting to the Chair of the Board.”

Chair of the Board: “May I have a motion to approve Jane Doe, John Smith and Mike Jones to the board of directors?”

The recorder for the meeting (usually the Secretary) will record the mover and the seconder. Once the candidates have been confirmed to the Board, the final piece of business remaining is the destruction of the ballots from the vote, which also requires a motion.

Suggested text: Chair of the Board: “May I have a motion to destroy the ballots?”

Post-AGM Board meeting

It is common practice that the board of directors meets immediately after the AGM has concluded to elect officers and carry out any urgent business or set the next meeting dates.

Election of Officers

At the post-AGM Board meeting, the co-op board has to meet to elect the officers. At a minimum, the *Co-operative Corporations Act* specifies that:

1. The Board must elect a President from among themselves
2. The Board must appoint or elect a Secretary

Although not required by the Act, the co-op’s bylaws may specify other officer positions – two of the most common include Treasurer and Vice-Chair/Vice-President. These can also be appointed or elected by the Board, according to its bylaws. According to the *Co-operative Corporations Act*, the president must be an elected director of the co-op, but the other officers do not have to be directors – they can be chosen from outside the board. However, a co-op may choose to

dictate other conditions for people to serve as officers, and this can be done as part of the bylaws or in the Articles of Incorporation.
