

REPORT OF THE LORD READING LAW SOCIETY GOVERNANCE COMMITTEE

May 27, 2020

Members:

Sharon G. Druker (Committee Chair, Past President 1996-97)

Nancy Cleman (Past President 2014-15)

Andrew Kliger (First Vice-President)

David Etedgui (Past President 2017-18)

The Committee members met by conference call on April 27, 2020 and May 14, 2020, and together with the President of the Society, Gregory Azancot, on May 15, 2020.

Andrew Kliger had previously circulated the results of our survey of Past Presidents asking them to confirm whether they wanted to (1) remain full board members, with full voting rights, inclusion in the calculation of quorum, legal liabilities and disclosure on the Quebec Register of Enterprises (REQ); (2) remain board observers, with notice of and the right to attend and be heard at all board meetings, but no voting rights, not countered for quorum, no legal liabilities and no public disclosure; or (3) resign from the board altogether. The results were:

Option #1 = 9 votes

Option #2= 25 votes (one of whom has since passed away)

Option #3 – 0 votes; the 9 who did not respond are deemed to have exercised this option.

Andrew also provided us with an Excel spreadsheet setting out the attendance of Past Presidents for the period from January 2016 to January 2020 inclusively.

Of the 9 Past Presidents who wanted to retain full voting rights, the breakdown is as follows:

- (i) Robin Schiller (who has resigned from the board following appointment as Bâtonniere of the Bar of Montreal), David Etedgui, Ian Solloway and Heather Michelin are all quite active;
- (ii) Alan Stein and Reisa Teitelbaum are somewhat active, but don't make the majority of meetings; and
- (iii) Julian Kotler, Michael Worsoff and Gerald Stotland all have negligible attendance.

The Letters Patent call for a fixed board of 50 members, which may be reduced to a minimum of 3 in accordance with Section 87 of the *Companies Act* (Québec), i.e., by the adoption by the board of a by-law, ratified by 2/3 of the votes at a meeting of members called for that purpose.

The Bylaws contemplate a board composed of the elected officers (being the President, Vice-President(s), Secretary and Treasurer) and the Executive Director, plus 20-40 additional directors, for a total of 24-44 directors, all elected annually. Note that the chairs of the various committees enumerated in the Bylaws are not elected officers. Furthermore, it is our recommendation that the position of Executive Director be abolished, as it was an honorary position conferred on an individual who has not been active within the Society for many years.

While the Committee feels that optimal corporate governance would call for a reduction in the overall board size, and would call for term limits, we wish to balance this against the desire for continuity and recognition of the ongoing contributions of those Past Presidents who have remained involved in the affairs and activities of the LRLS long past the end of their Presidency.

It is therefore our recommendation that a fixed number of spaces be reserved on the board for Past Presidents who wish to remain full directors. There are currently 8 such individuals, of whom only 5 are very or moderately active, and 3 are almost totally inactive. We would therefore recommend that up to 5 board seats be reserved for Past Presidents (not including the Immediate Past President).

We would recommend that the Past Presidents Medal Committee, currently charged with the single task of awarding the Past Presidents' medal, be renamed the Past Presidents Committee and that its mandate be expanded to include the recommendation of up to five (5) Past Presidents desirous of being full board members to the Nominating Committee. In our view, the Past Presidents Committee as so would be best-placed to choose who amongst them is most qualified to represent their collective interests on the board and to make such recommendation to the Nominating Committee.

As part of its mandate, the Nominating Committee should encourage the nomination of younger members of the Society to board positions, to as to encourage diversity and inclusion on the board and to incentivize younger members of the Bar to become active members of the Society. This would ensure a rejuvenation of the board and membership and ensure a healthy succession and the perpetuity of the Society. We would therefore recommend naming up to five (5) directors who have been members of the Quebec Bar for less than 10 years ("Junior Members"). They could be suggested by the Young Bar Committee to the Nominating Committee.

The board composition would therefore be as follows:

- (i) Officers: President, Immediate Past President, Vice-President(s), Secretary and Treasurer (5-6 seats)
- (ii) Past Presidents – up to 5 seats
- (iii) Junior Members – up to 5 seats
- (iv) Balance of the board – 34-35 seats, open to all (including Past Presidents and Junior Members).

We would also suggest that all board members going forward sign a board expectations document including a commitment to attend at least one-half of the board meetings held in any given mandate, and to acknowledge that failure to do so, without justifiable reason, is cause for removal. Those members who do not comply in a given session would not be nominated for re-election the following session by the Nominating Committee. The commitment would also include the undertaking to comply with board obligations of confidentiality, good faith and fiduciary duty.

We would also like to see an updating of some of the committees. We believe that the Archives Committee should cease to be a Standing Committee, and should become a Special Committee, mandated when a special project (such as the 70th anniversary commemoration) is appropriate. We also believe that the Bylaws Committee should be replaced by the Governance Committee, whose mandate would include the Bylaws of the Society.

Provision should also be made for renewal in the chairs and members of the standing committees. Given Me. Schiller's election as Bâtonnière and resignation from the board, one or more of the other members of that committee should be named the new chair or co-chairs. Similarly, the other committees are ripe for renewal and involvement in these committees would be a great introduction to the board. We would recommend that all committees have two co-chairs, one of whom is a Junior Member, so as to provide for succession in these functions.

Finally, in our initial report dated November 27, 2019, we had suggested the following "clean-up" amendments to the By-Laws:

- Section 11.1(a) of the By-Laws should permit voting by proxy;
- Section 11.1(c)(i) is overly onerous in requiring the physical presence of two-thirds (2/3) of the petitioners for a By-Law amendment at the Special Meeting voting thereon; and
- the 12-month delay for resubmission of a proposal under Section 11.1(d) is far too long and should be reduced to 3 months.

Given current circumstances, we also feel the by-laws should be updated to permit electronic attendance and participation.

The Excel board attendance report and the draft by-law amendments required to effect these changes are attached.

Respectfully submitted,

Sharon G. Druker

Nancy Cleman

Andrew Kliger

David Etedgui

DRAFT BYLAW AMENDMENTS

Replace Section 6.2 by the following text:

6.2 Composition, Eligibility and Election.

- (a) Members of the Board must be Members in Good Standing of the Society.
- (b) The following Members shall automatically be Members of the Board:
 - (i) the elected officers of the Society, being the President, Vice-President(s), Secretary and Treasurer; and
 - (ii) the Immediate Past President.
- (c) Up to five (5) seats on the board shall be reserved for the Past Presidents, per a list to be suggested by the Past Presidents Committee to the Nominating Committee;
- (d) Up to five (5) seats on the board shall be reserved for Members who have been members of the Barreau du Québec for 10 years or less (“Junior Members”), per a list to be suggested by the Young Bar Committee to the Nominating Committee;
- (e) The balance of the Members of the board shall be those nominated by the Nominating Committee, and elected either by acclamation or by the vote of a majority of the Members at a meeting held for such purpose.
- (f) The number of Members of the board shall not exceed fifty (50), but may be a lesser number determined by the Nominating Committee, ratified by the board and reflecting the annual elections.

Replace paragraph 6.6(j) by the following text:

All Past Presidents shall receive notice of, and shall be permitted to attend and participate in, all meetings of the Board of Directors of the Society. Other than those Past Presidents nominated by the Past Presidents Committee and formally elected to the Board of Directors of the Society, the Past Presidents shall not be counted for the purpose of a quorum and shall not be entitled to vote at any Board of Directors meeting.

Re-number Section 5(a) of the Bylaws (mandate of the Archives Committee) as Section 9.3(2).

Replace Section 9.2 of the Bylaws by the following:

9.2 Standing Committees.

1. List of Committees

The following shall be the Standing Committees of the Society:

- (a) Governance
- (b) Membership
- (c) Programming/CLE
- (d) Sponsorship
- (e) Communications
- (f) Human Rights
- (g) Young Bar
- (h) Mentorship and Career Advancement
- (i) Past Presidents
- (j) Liaison – Justice

Replace Section 9.2(2) by the following text:

2. Standing Committee Chairs

- (a) Where possible, upon the recommendation of the Nominating Committee, the President is encouraged to name a Junior Member as co-chair of any Standing Committee following the Annual General Meeting of the Society.
- (b) The President shall make such appointments as necessary from time to time in order to fill vacant Standing Committee chairs in accordance with paragraph (a).

Replace Section 9.2(5)(b) by the following text:

(b) Governance Committee

The Governance Committee shall:

- (i) provide for the effectiveness and continuing development of the Board and be responsible for the monitoring and oversight of all matters of corporate governance;
- (ii) recommending to the Board policies and processes designed to provide for effective and efficient governance, including but not limited to policies for Board evaluation, orientation and education and succession planning;
- (iii) ensure that the Society is in compliance with all applicable current provincial and federal laws and regulations;
- (iv) review the structure and roles of Board sub-committees and recommend changes, where necessary;
- (v) identify any new initiatives that require the attention of the Committee and report on the progress thereof to the Board;
- (vi) review the Society's directors and officers insurance and the insurance policy covering the activities of the Society;
- (vii) review the existing By-Laws of the Society at least once every two (2) years and at such earlier times as may be deemed necessary; and
- (viii) consider and, from time to time, if deemed necessary, revise and recommend to the Board any change(s) to the existing Bylaws of the Society. If approved by the Board, the proposed change(s) shall be submitted to a Special or Annual General meeting of the Members of the Society, which shall have for its purpose, the consideration and adoption of the proposed change(s).

Replace Section 9.3(1)(i) to (iii) inclusively by the following as the new Section 9.3(1)(i) to (vi) inclusively:

- (i) the Immediate Past President of the Society;
- (ii) the current President of the Society;
- (iii) the current First Vice-President and Second Vice-President of the Society;
- (iv) two (2) Past Presidents of the Society [named by the Past Presidents Committee?];
- (v) one (1) member of the Board;

- (vi) any additional members the Nominating Committee wishes to appoint, including but not limited to Past Presidents and Junior Members of the Society.

Replace Section 9.3(1)(c) by the following text as the new Section 9.3(1)(c):

The Chair of the Nominating Committee shall not have the right to vote except in the event of a tie, in which event the Chair shall have the casting vote.

Re-number Section 9.3(1)(f) as Section 9.3(1)(g) and add the following as the new Section 9.3(1)(f):

- (f) In composing its slate of nominees for positions on the Board, the Nominating Committee shall solicit the names of (i) up to five (5) Past Presidents from the Past Presidents Committee and (ii) up to five (5) Junior Members from the Young Bar Committee.

Delete the current Article TEN of the Bylaws and remove all references in the By-Laws to an "Executive Director".

Add a new Article TEN to the Bylaws, dealing with electronic notices, attendance and participation, as follows:

Article TEN – Electronic Notices and Meetings

1. Method of Giving Notices

Any notice (which includes any communication or document) to be given sent, delivered or served (as the case may), to a member, director, officer or member of a committee of the board or to the accountant of the Society shall be sufficiently given:

- a. if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Society or in the case of notice to a director to the latest address as shown in the Register of Enterprises; or
- b. if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or
- c. if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed

to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the board in accordance with any information believed by the Secretary to be reliable. The declaration by the Secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any director or officer of the Society to any notice or other document to be given by the Society may be written, stamped, typed or printed in whole or in part.

Any person entitled to receive notice of any meeting may waive in writing such notice. Such person's sole attendance at a meeting is a waiver except where the person attends a meeting for the express purpose of objecting to the holding of the meeting on the ground that the manner of calling it was irregular.

2. Participation by Electronic Means at Meetings.

If the Society chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate directly and adequately with each other during a meeting of members, directors, officers or members of a committee of the board (as the case may be), any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility and they are then deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in such meeting who is entitled to vote at that meeting may vote by means of any telephonic, electronic or other communication facility that the Society has made available for that purpose provided that it enables votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote when a ballot has been requested.

Replace Section 11.1(a) of the Bylaws by the following text as the new Section 11.1(a):

- (a) The By-Laws of the Society may be amended only by a vote of two-thirds (2/3) of Members voting, in person or by proxy, at a Special or Annual General Meeting of the Members of the Society duly convoked for such purpose; all proxies must be in writing, signed by the Member and deposited with the Secretary of the Society not less than one (1) business day before the date of the meeting, per procedures to be set forth in the notice of such meeting;

Delete Section 11.1(c) of the By-Laws and renumber Section 11.1(d) accordingly.

Amend renumbered Section 11.1(c) of the By-Laws to reduce the delay referenced therein from twelve (12) months to a delay of three (3) months.