CREDIT RULES REVIEW SURVEY
Of the eight Rules identified for a member vote, it was determined that further research was required for four of the Rules prior to a formal vote.

An informal survey to gather member feedback on these four Rules was conducted in November 2019. These four Rules are as follows:

- Changing the name of the CICSA Cooperative Credit Union.
- Expanding who is eligible to join, i.e. opening Credit Union membership beyond the current criteria.
- Implementing Board of Directors and Committee member compensation.
- Updating the Board of Directors and Committee member nominations process.

More detail on this review and all other CICSA Co-op Credit Union governance are available for download on the website: cicsa-creditunion.org/rules-and-laws

1) Credit Union Rules Review
2) Credit Union Rules (2012 Revision)
3) Cooperative Societies Law
WHY:

- Gauge if informal survey method is a viable method to gather feedback from a majority of members.
- The informal nature of the survey lets us get a general sense of member perspectives on the key issues.
- Leverage results to further refine the Credit Rules Review process by identifying how to adjust the types of questions/response options so that when a Special General Meeting is scheduled to take a formal vote, we ensure that we ask the right questions, in the right way to illicit the most accurate and fair results.

HOW:

- Online survey via Survey Monkey.
  - Majority of members have email (11,549)
  - Allowed for quick response tracking and analysis via built-in Survey Monkey analysis reporting.
- Capacity to conduct and analyze in time to provide members a summary at the AGM.
- To encourage higher response rates, participants were given the possibility of winning 1 of 4 $100 cash credits.
WHAT THIS SURVEY IS NOT:

- NOT an official, formal member vote.
- NOT the basis on which final Credit Union decisions will be made.
- NOT a survey with “right” or “wrong” answers.
Hello CICSA Co-op Credit Union Member,

We are conducting a quick survey to gather member feedback on key issues which are part of current Credit Union Rules (2012 Revision) review now underway. The survey has only a few questions which relates to these specific key issues.

We need to hear from as many members as possible to ensure we understand what members really think. If you complete and submit the survey by Monday, November 18, you will be entered into a raffle for 1 of 4 gift certificates ($100 each). We will contact the winners via email.

The survey results will be shared with all members in due course and a formal Special General Meeting will be scheduled for early 2020 during which a formal vote will be taken. Stay tuned to your emails for further notification on this meeting.
CREDIT UNION RULES REVIEW SURVEY

Email Survey Launched:
13 November

Submission Deadline:
18 November

Stats as of:
21 Nov

SURVEY RESPONSE SUMMARY

- Total Invitations: 11,549
- Total Responses: 2,122
- Complete Responses: 1,924

Response Rate: 16.7%
Completion Rate: 90.6%
Credit Rules Review Issue #1
The Cayman Islands Civil Service Association Cooperative Credit Union Name Change

Background
The Credit Union founding members were civil servants, and as such, established membership criteria tied to civil service employment and membership in the Cayman Islands Civil Service Association (CICSA). We honor the history behind this effort and admire the work to incorporate this Credit Union that has grown exponentially over the years. This growth has expanded membership criteria beyond just civil service employees to include employees of utilities and telecommunications companies as well as immediate family members.

The majority of Credit Union members are immediate family members who work outside of the civil service and government-owned entities in all sectors and industries in the Cayman Islands.
QUESTION 1
Should The Cayman Islands Civil Service Association Cooperative Credit Union name be changed?

<table>
<thead>
<tr>
<th>Answer Choices</th>
<th>% Responses</th>
<th># Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20.23%</td>
<td>429</td>
</tr>
<tr>
<td>No</td>
<td>79.77%</td>
<td>1,692</td>
</tr>
</tbody>
</table>

2,121 responses were received.
CREDIT UNION RULES REVIEW SURVEY

QUESTION 1-A
Which Credit Union name do you prefer?

- Cayman Islands Credit Union: 84%
- Other Name: 8%
- People's Credit Union: 4%
- Community Credit Union: 3%
- Our Credit Union: 1%

The percentages here are based on the 429 people that said YES to change the Credit Union name.
CREDIT UNION RULES REVIEW SURVEY

Credit Rules Review Issue #2

Who Should be Eligible to Join the Credit Union

Background

The Cayman Islands Civil Service Association (CICSA) Co-operative Credit Union is a non-profit, membership-based financial institution. Membership is based on the following criteria:

1.) Individuals at least 18 years old;
2.) Employed by, or are pensioners of the Cayman Islands Government (including statutory authorities/boards/bodies);
3.) Employed by, or pensioners of local utility companies;
4.) Immediate family members of employees of said organizations or companies, including youth under 18 years old who qualify for youth accounts. (Immediate family is husband/wife, parent/child, siblings)

Currently, the Cooperative Societies Law has no restriction on the number of credit unions that can incorporate and operate in the Cayman Islands. This means, any other credit union would have option to offer open membership to all residents in the Cayman Islands, and not necessarily required to impose limitations. If this happened, CICSA Co-operative Credit Union could lose the distinct advantage we currently have as the sole credit union and face stiff competition for membership.
CREDIT UNION RULES REVIEW SURVEY

QUESTION 2

If Credit Union membership were opened to groups beyond the current criteria, what groups should be included?

- No other group. Current Criteria Only: 42%
- Current Eligible Members PLUS Extended Family: 30%
- Individuals Nominated by Current Member: 11%
- All Cayman Residents (not-tourists): 17%

The 58% highlighted represents the % of respondents that are open to some degree to expanding membership criteria. Based on the results, when presenting this question again to members during a formal vote, the answer options should be refined to provide more clarity to remove any doubt to what members want.
Credit Rules Review Issue #3

Board of Director and Committee Member Compensation

Background

Credit Union Rule 36 currently stipulates, "No Officer, Director or Committee member, other than the Treasurer may be compensated for his/her services as such. This shall not be construed to prevent reimbursement of Directors and Committee members for expenses they may incur in carrying out duties of their offices."

Globally, and in particular in the Caribbean, many credit unions pay an honorarium to their directors and committee members for the following reasons:
1.) The regulatory environment is increasingly more complex;
2.) The Credit Union's governance structure must attract/retain directors and committee members with the requisite skills and experience necessary to oversee a financial institution;
3.) The directors and committee members have to commit an increasing amount of time to meet fiduciary duties and obligations to ensure compliance with changes/amendments in laws/regulations.
QUESTION 3

Should Board of Directors, Credit Committee and Supervisory Committee members receive an honorarium?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Responses</th>
<th>% Responses</th>
<th># Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1,462</td>
<td>73.03%</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>540</td>
<td>26.97%</td>
<td></td>
</tr>
</tbody>
</table>

Yes: 73%  
No: 27%

2,002 responses
CREDIT UNION RULES REVIEW SURVEY

QUESTION 3-A

Board of Directors, Credit and Supervisory Committee members should receive the following type of compensation only when it is voted on and approved by members at the AGM:

- **An Annual Fixed Honorarium**: 44.4%
- **A Monthly Fixed Stipend**: 27.4%
- **Meeting Expense Reimbursement**: 24.0%
- **Other Compensation**: 4.2%

The percentages here are based on the 1,462 people that said YES to volunteer compensation.
Credit Rules Review Issue #4
Board of Director and Committee Member Nominations Process

Background

Credit Union Rules currently stipulate, "It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting (AGM) one board of directors member for each vacancy for which elections are being held...After nominations of the Nominating Committee have been placed before the members, the Returning Officer shall call for nominations from the floor. When the nominations are closed, tellers shall be appointed by the Returning Officer, ballots shall be distributed, the votes shall be taken and tallied by the tellers, and the results announced."

Recent Cooperative Societies Law amendments as well as Cayman Islands Monetary Authority (CIMA) requirements affect the Credit Union’s board of director and committee member nominations process.

1.) Cooperative Societies Law requires all elected board of directors and committee members volunteers complete a personal fitness and propriety questionnaire that is then submitted to CIMA for approval.

2.) CIMA requires Credit Union Terms of Reference that outline:
   a.) The specific role/function of each director/committee member;
   b.) The skills, experience and character for each nominee.

The requirements above make the nominations process more effective if completed PRIOR to, instead of from the floor at the AGM.
CREDIT UNION RULES REVIEW SURVEY

QUESTION 4

In addition to nominations from the Nominating Committee, should Board of Directors, Credit and Supervisory Committee member nominations be allowed from the floor during the AGM?

- No, I prefer a process prior to AGM to review qualifications: 53%
- Yes, I prefer to allow nominations from the floor at the AGM: 47%
DID THE SURVEY ACHIEVE ITS OBJECTIVE?

**OBJECTIVE**

- Is an informal survey a viable/reasonable method to gather feedback from a majority of members?
- Does the informal nature of the survey let us get a general sense of member perspectives on the key issues?
- Do the results give us enough insight on member sentiment in order to refine the Credit Rules Review process and ensure we ask the right questions, in the right way to illicit the most accurate and fair results during the formal/official vote?

**RESULT**

- Total Credit Union Membership (Nov 2019): 14,208
- Members over 18yrs old & have email: 11,549
- Total Completed Surveys: 1,924
- 13.5% of Total Membership*

*Formal survey industry-standard data sample size for Credit Union total customer base at 95% confidence & 5% margin of error is 375 responses, or 2.6%. Our survey was informal/unscientific.

- Each question result showed very clear & distinct answers which developed into patterns/trends that didn’t change significantly the more responses received.
- Feedback received from members, staff, & board of directors regarding clarifications indicated that questions may need to be adjusted before formal vote. For example, the membership criteria question needs to be more clear about whether members are truly open or not to expanded membership criteria.
WHAT’S NEXT?

- The questions will be updated & refined for clarity.
- A Special General Meeting (SGM) will be scheduled in early 2020.
- Notices regarding this meeting will be distributed via email (and via post to those without an email address or with no access to email)
- All members attending the said SGM will formally vote on the Credit Rules in review.
- This vote will determine the decision the Board of Directors will implement.