

**INSTITUTE OF CORPORATE DIRECTORS**

**GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER**

**Approved by the Board of Directors on September 20, 2012**

## INSTITUTE OF CORPORATE DIRECTORS

### GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER

#### 1. Statement of Purpose

The Governance and Human Resources Committee (the “**Committee**”) of the board of directors (the “**Board**”) of the Institute of Corporate Directors (the “**ICD**”) has been established by the Board for the purposes of :

- developing and recommending to the Board corporate governance policies and procedures which are consistent with good governance practices, overseeing director recruitment and orientation, and approving processes for evaluation of the Board; and
- assisting the Board with respect to all matters relating to human resources, including Chief Executive Officer (“**CEO**”) evaluation and compensation, management compensation schemes, succession planning, and significant human resources policies.

#### 2. Committee Membership

##### *Composition*

The Board will appoint annually from among its directors a Governance and Human Resources Committee, which shall consist of as many directors as the Board may determine but in any event not less than three directors. Each director who serves on the Committee (each a “**Committee member**”) is approved for membership by the Board, after the recommendation of the Chair of the Board (after consultation with this Committee which reviews qualifications).

Any Committee member may be removed and replaced at any time by the Board, and will automatically cease to be a Committee member if such director ceases to meet the qualifications set out herein. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board, taking into account any recommendation that may be made by the Chair of the Board, after consultation with this Committee. If a vacancy exists, the remaining Committee members may exercise all of the Committee’s powers so long as there is a quorum and subject to any legal requirements regarding the minimum number of Committee members.

##### *Chair of the Committee*

The Board will designate one of the Committee members to be the Chair of the Committee, taking into account any recommendation that may be made by the Chair of the Board, after consultation with this Committee. The appointment of the Chair of the Committee takes place annually at the first meeting of the Board following the annual meeting of members of the ICD at which directors are elected, or upon the occurrence of any vacancy in the position.

##### *Qualifications*

Each of the directors on the Committee must be independent (as defined in the Corporate Governance Guidelines).

### *Management Attendance*

The Committee may invite, at its discretion, members of management and/or other guests to attend all or a portion of a meeting of the Committee.

## **3. Committee Operations**

### *Meetings*

The Chair of the Committee, in consultation with the other Committee members, will determine the schedule and frequency of meetings of the Committee. After the appointment of its members, the Committee shall establish a schedule of regular meetings for the coming year and, in addition, hold other meetings as required to carry out its responsibilities.

Meetings may also be convened at the request of any Committee member. There shall be not less than two Committee meetings per year.

### *In-Camera Meetings*

The Committee members shall meet in private session with management and as Committee members only, to discuss matters relevant to the Committee's mandate. The Chair of the Committee shall determine the participants in any in-camera sessions.

### *Agenda and Reporting to the Board*

The Committee shall communicate its expectations to management with respect to the nature, timing and extent of its information needs.

The Chair of the Committee will establish the agenda for meetings in consultation with the other Committee members and the Chair of the Board. To the extent possible, the agenda and meeting materials will be circulated to the Committee members at least 5-7 days in advance of regular meeting dates to ensure sufficient time for review prior to the meeting. The Committee shall report to the Board at the Board's next regularly scheduled meeting after a meeting of the Committee and as otherwise may be requested by the Board. Reporting shall normally be made through the Chair of the Committee.

### *Voting at Meetings*

At meetings of the Committee each Committee member shall have one vote and motions shall be decided by a majority of votes. In case of an equality of votes, the chair of the meeting shall not have a second or casting vote.

### *Minutes*

The minutes of all Committee meetings will be approved at the next meeting of the Committee.

The Corporate Secretary of the ICD is responsible for ensuring that draft minutes are completed after each meeting. The Corporate Secretary will circulate the draft minutes with the notice of meeting and the agenda for the next meeting 5-7 days prior the next Committee meeting date.

These may be circulated earlier to assist communication between and among management and the Committee.

#### *Quorum and Transaction of Business*

A quorum at any meeting will be a simple majority of the Committee members. The powers of the Committee may be exercised at any meeting where a quorum is present or by resolution in writing signed by all Committee members.

In the case of an emergency situation or a situation requiring a decision to be made without delay, the Chair of the Committee may, upon 24 hours' notice to the Committee, call a meeting of the Committee, in which case the members of the Committee who attend such meeting will constitute a quorum.

#### *Committee Operating Principles and Procedures*

The procedure at meetings will be determined by the Committee.

#### *Absence of Chair of the Committee*

In the absence of the Chair of the Committee, the Committee shall appoint one of its other Committee members to act as Chair of that meeting.

### **4. Committee Duties and Responsibilities**

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board.

#### *a) Approach to Corporate Governance*

The Committee will review the ICD's overall approach to corporate governance, taking into account those elements that are unique to the ICD, and will make recommendations to the Board. Among other things, the Committee will:

- approve a process for an annual evaluation of the Board and the Chair of the Board, and consider annually whether any changes or enhancements should be made to that process;
- consider and recommend to the Chair of the Board any new committees the Committee believes are appropriate;
- develop charters for any new committees established by the Board; annually review this Governance and Human Resources Committee Charter; annually receive feedback from each other committee regarding its review of its own charter, and recommend any changes the Committee considers appropriate;
- monitor developments in the area of corporate governance;
- oversee programs for new director orientation and ongoing director continuing education;

- consider and consult with the Chair of the Board regarding those directors it considers qualified for appointment to each Board committee;
- periodically review and assess the ICD's communication to members and the general public with respect to its policies and practices in the areas of corporate governance, including the communications contained on the ICD website;
- annually consider the adequacy of the insurance and indemnification arrangements for directors and officers of the ICD and for the Chapters;
- periodically examine the size of the Board and recommend to the Board a size that facilitates effective decision making; and
- meet at least annually with the Board to review and report on the governance framework for the ICD.

***b) Nomination of Directors***

The Committee is responsible for consulting with the Chair of the Board to identify individuals qualified to be members of the Board and to assist the Chair of the Board in making his or her recommendation to the Board as to director nominees for election at the next annual meeting of members. In consulting with the Chair of the Board, the Committee will, after conducting the reviews, examinations and inquiries it believes are appropriate, consider:

- the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, as set out in the Board Matrix;
- diversity considerations, including without limitation ethnicity, gender, age, business experience, functional experience, personal skills, stakeholder perspectives and geographic background; and
- the competencies and skills that the Board considers each existing director to possess and that the Committee considers any new nominee to possess.

***c) Human Resources***

In accordance with its duty to assist the Board with respect to all matters relating to human resources, the Committee will:

- approve a process for an annual evaluation of the CEO, and consider annually whether any changes or enhancements should be made to that process;
- together with the Chair of the Board, lead the Board's annual performance and compensation review for the CEO;
- annually review and make recommendations to the Board regarding the CEO and Chair of the Board succession plans;

- review programs, policies and practices with respect to the development of ICD's human resources;
- review and recommend to the Board the CEO's general plan for compensating ICD senior management;
- review and recommend to the Board a plan for compensating the CEO;
- monitor compliance of the ICD's Code of Business Conduct and Ethics;
- oversee the ICD's Whistleblower Policy;
- oversee the ICD's Workplace Harassment Policy, including the appointing of the ICD's designated internal harassment advisor; and
- consider management reports on material human resources issues.

#### **5. Access to Advisors**

The Committee may, with the consent of the Chair of the Board, retain counsel, auditors or other advisors in connection with the execution of its duties and responsibilities and may determine the fees of any advisors so retained. The ICD will provide the Committee with appropriate funding for payment of reasonable compensation to such counsel, auditors or other advisors and for such ordinary administrative expenses of the Committee as are necessary or appropriate in carrying out its duties.