



Canadian  
Chamber of  
Commerce  
Chambre de  
Commerce  
du Canada

The Voice of Canadian Business™  
Le porte-parole des entreprises canadiennes<sup>MD</sup>

# Corporate Governance Manual

The Corporate Governance Manual is an internal document. Its purpose is to provide guidance to the board of directors. If a conflict arises between this document and our bylaws, our bylaws will prevail.

**Approved by the Board of Directors March 2019**

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# Profile

The Canadian Chamber of Commerce is *The Voice of Canadian Business*.™

We are the largest, most influential advocate for business in Canada, comprised of more than 200,000 businesses from communities throughout the country. Founded in 1925 with the aim of creating a strong, unified voice for Canadian businesses of all sizes from all sectors of the economy and a set of values from which policies encouraging prosperity would emerge, we continue to be the only voluntary, non-political association that has an organized grassroots affiliate in every federal riding.

All of our official documents are available in English and French.

## Vision

To be the most interconnected, valued and influential business network in Canada.

## Mission

We foster business competitiveness and a strong economic environment that benefits all Canadians.

## What We Do

We are a unified voice for Canadian businesses. We advocate for public policies that foster a strong, competitive economic environment that benefits businesses, communities and families across Canada.

## How We Do It

We mobilize a vast and diverse network to influence the policies, regulations and decisions that are critical to creating a competitive business environment. We represent more than 200,000 businesses reflecting a strong and diverse network including chambers of commerce, boards of trade, business associations and businesses of all sizes and from all sectors and all regions of Canada. First, we engage members to co-create policies and positions that reflect a broad business perspective. Then we frame the terms of the policy debate from a business perspective.

Thanks to our well-researched reports, analyses, position papers and policy resolutions that reflect a broad business perspective our views are sought after by government, business leaders and the media.

## Value We Provide to Members

We help our members maximize their opportunities for success by providing opportunities to:

- Make new connections and raise profile.
- Gain access to government and business stakeholders/decision makers in Canada and abroad.
- Access to a platform for advocating specific interests in the context of a broader business/economic interest for Canadians.
- Contribute to policy development and advocacy initiatives that will have a positive impact on their organization.

- Receive timely insights, information and policy/regulatory analysis to better inform decisions.
- Access to support and services that will save money and advance objectives for growth.
- Be part of a highly interconnected movement working to create a competitive business environment where companies of all kinds can thrive.

# The Eight Habits of a Highly Effective and Engaged Director

1. Attends all board meetings, reads all materials in advance, and is actively engaged in board meetings.
2. Actively participates in the board's strategic planning process and monitors progress against the board's key objectives as set out in the annual operating plan.
3. Participates in the development of policy through:
  - a. Annual resolution process
  - b. Overall policy focus
  - c. Board level activities
4. Serves on our standing board committees, which provide guidance on key operational issues.
5. Supports our member policy committees on key policy areas, when expertise is applicable.
6. Participates actively in recruiting and retaining members on the advice and assistance of staff.
7. Provides support to the Canadian chamber network wherever possible.
8. Promotes and advocates our work within his/her organization and network.

# Governance Policies of the Board of Directors

## Summary

It is expected that all directors of Canadian Chamber (the "Directors"):

- ✓ Are representatives of corporate members in good standing, with the exception of board officers and nominees as described in our bylaws.
- ✓ Represent the views of their industry and region.
- ✓ Bring valuable expertise and experience.
- ✓ Are familiar and agree with our mission, vision, and objectives.
- ✓ Act in our best interest to the best of their ability.
- ✓ Are well-informed and make every effort to attend all meetings of the board.
- ✓ Participate in the activities of the board's committees and task forces.
- ✓ Establish and assess our policies and goals.
- ✓ Disclose conflicts of interest.
- ✓ Act within the scope of authority mandated by the Canadian Chamber.
- ✓ Are aware of corporate liability issues.
- ✓ Actively involved in recruiting and retaining members on the advice and assistance of staff.

## The Canadian Chamber as a Non-Profit Organization

We are a national non-profit organization that was founded in 1925 and incorporated in 1929 under Part II of the Canada Corporations Act. As of January 28, 2014, we continued under and are currently governed by the Canada Not-for-profit Corporations Act.

Non-profit organizations, like the Canadian Chamber, have a number of characteristics in common with normal business enterprises. However, a few features are unique to non-profits.

We are a separate legal entity, comprised of (a) voting and non-voting members (the equivalent of shareholders in a commercial corporation), (b) directors elected by the members (as in a commercial corporation) and (c) officers who, with the exception of the past chair and the president and chief executive officer, are elected by the members (whereas they would be appointed by the directors in a commercial corporation). The president and chief executive officer is appointed by the directors and holds a seat under our bylaws.

Like in a commercial corporation, there is a true distinction between the organization itself, the persons who are directors and the persons who are members. The board of directors of the Canadian Chamber (the "board" or the "board of directors") as a collective (rather than individual directors) has the power and obligation to oversee the affairs of the organization.

One of the most important distinctions between our organization and a commercial corporation relates to the matter of "profit." Our non-profit status does not mean that we are not permitted to operate at a profit. What distinguishes us from our commercial counterparts is that, if our operations produce profit, our individual members do not personally benefit, as would the shareholders of a private business. Profit, in a non-profit organization, accrues to the organization itself.

## Mandate of the Board

The board of directors is our governing body between annual or special meetings of the membership. It is mandated to conduct the organization's business (including providing advice to develop our strategic plan) and to oversee financial transactions (standard fiduciary responsibility). The board is also responsible for the implementation, interpretation and promotion of policies approved by the membership in accordance with our statutes and bylaws.

## Composition of the Board

The composition requirements of the director nominees of the board are set out in our bylaws and include any additional selection policies established by the nominating and governance committee. Members vote to elect the directors nominated by the board and any other slates of directors who are nominated at an appropriate meeting.

Up to 32 directors, elected by the membership to staggered two-year terms, form the core of the board.

In addition to this group, each of the 10 provincial and territorial chambers of commerce (the Atlantic Chamber of Commerce being considered to be a single entity) is automatically accorded a seat on the board, which must be occupied by an individual from a member in good standing of the provincial or territorial chamber. The remaining designated members of the board are the chair of the board, the vice chair, the treasurer (all of whom are elected by the membership to one-year terms), an individual from a member in good standing of the Chamber of Commerce Executives of Canada and the immediate past chair of the board (if the immediate past chair of the board so wishes).

In addition to the above, our bylaws permit the board to nominate up to six additional directors to one-year terms in order to augment the expertise and/or to balance representation on the board as it relates to the regional, gender, age, sectoral, size of organization, and ethno cultural diversity of Canada.

The onboarding of directors is to take place in alignment with our AGM and Convention, where the directors are appointed and an annual orientation session takes place. Our bylaws provide that directors shall not be eligible for re-election to the same office after serving therein for six consecutive terms (the period from one annual meeting to the next annual meeting) until at least one term has elapsed with such director not holding such office. A director who, during his/her term is appointed to the executive committee shall be eligible for re-election for two additional consecutive terms (for a total of eight consecutive terms).

The individual holds the seat. The nominees will be invited on the slate on the basis of the organization (i.e. corporate member) they represent. The nominee requires approval by the nominating and governance committee and, ultimately, voting members. The assumption followed to identify the term of these directors (i.e. the term calculation) is based on the individual.

We are committed to reflecting the diverse composition of the Canadian business community as stated in our diversity policy. While the primary criterion will remain the personal and professional capabilities of

each individual who is asked to serve, including business experience and the specific expertise most needed at the time, the board also strives to ensure its composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada. The slate will include at least one nominee who is resident in each recognized region of Canada. When designating the regional representation, it will be the location (the province or territory) where the individual resides that will determine it.

The official quorum requirement for meetings of the board is 10 directors, provided that directors from at least four of the recognized regions of Canada are in attendance.

## Eligibility for Service on the Board

Our bylaws specify that paid employees of organizational members or associate members cannot be nominated to be directors, nor can paid employees of government departments or agencies. Exempted from this rule are employees of Crown Corporations that are corporate members in good standing, the chair of the Chamber of Commerce Executives of Canada and each representative to the board from a provincial and territorial chamber of commerce.

Our bylaws provide that an individual from a member in good standing of the provincial and territorial chamber as designated by each provincial and territorial chamber will be members of the board. However, the provincial and territorial chamber designated representatives on the board may not concurrently serve as officers of the Canadian Chamber.

In addition to the foregoing, and with the exception of officers and nominees described in our bylaws, it is board policy that all directors shall be representatives of corporate members in good standing. All exceptions should be referred to the chair of the nominating and governance committee and/or the chair of the board for review.

## Status on the Board

We are committed to reflecting the diverse composition of the Canadian business community as stated in our board diversity policy. At the same time, every endeavour is made to maintain, on the board, an appropriate linguistic balance of both official languages in Canada. Our membership base embraces business organizations of every size and type from all of Canada's provinces and territories, including individual companies, chambers of commerce and boards of trade and vertical trade associations.

In considering potential candidates to fill vacancies on the board, the nominating and governance committee must ensure the bylaw provisions governing representation are respected, while also taking into account all the diversity policy requirements. Any change in the director's employment status or province/territory of residence can affect the total balance of the board. Consequently, as a matter of board policy, it is understood that any director who changes employer, employment status or region will tender his/her resignation to the board, which may accept such resignation or ask the director to remain a member of the board until our next Annual General Meeting or until the director is replaced.

## Duty of Knowledge

A director of any corporation, for-profit or non-profit, must have a basic knowledge of the organization. At a minimum, all directors should make it their business to be aware of the requirements of the internal governance mechanisms by which the board operates—in our case, the Canada Not-for-profit Corporations Act and our bylaws and policies. For questions of parliamentary procedure, Robert's Rules of Order will be the board's model. Similarly, all directors must understand what the organization does in practice and how it puts its purposes into action.

The orientation of all new board members is considered a fundamental prerequisite to full participation in the processes of the board. We begin our orientation at the moment each director is nominated, through the provision of background information. In addition, an orientation session—in person or through digital channels—is held annually. Directors must consider that the duties of their office include an obligation to review, at least annually, our mission, vision and objectives to ensure they remain consistent to our organization's objects as set out in our bylaws.

Because of the stable foundation that our bylaws provide for a corporation, amendments are not undertaken lightly or hastily but only after careful reflection on the available alternatives. Our bylaws govern our internal workings and, until amended in accordance with the provisions governing amendments, directors must comply with their terms. This applies both to the substance of the particular provisions and the timing as outlined therein.

## Duty of Care

A director and/or an officer of the Canadian Chamber has a duty to act in accordance with a minimum standard of care, and might incur personal liability where the conduct falls short of this criterion. In our case, this is a statutory standard of care which is expressed as when exercising powers and discharging duties, shall "exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances."

Generally speaking, it is expected that a director will (a) act honestly and in good faith with a view to the best interests of the organization; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances in exercising his/her powers and performing his/her duties as a director.

In recent years, concern has arisen among current and potential directors of certain non-profits (in most instances, charitable organizations) regarding their liability, since directors of charitable organizations have been held to the same standard of care as trustees who manage charitable trusts. However, this situation does not apply in our case, and directors who meet the applicable standard of care and conduct should not be liable for simple errors of business judgement that may occur while the director performs his/her duties of office.

Directors must, at all time, respect the confidentiality of our members, personnel and any other matters specifically determined by board motion to be matters of confidence, including matters dealt with during in-camera meetings of the board. Confidentiality means directors may not relate such matters to anyone, including immediate family members. The duty of confidentiality continues indefinitely after a director has left the board.

## Duty of Skill and Prudence

There is no legal minimum required level of skill or prudence for a director of a non-profit organization. The level of skill required of the individual will most likely depend on his/her status and responsibilities and the experience he/she brings to the table. Where a director does possess a particular level of expertise, that level must be used in the best interests of the Canadian Chamber.

To discharge the duty of prudence, the director must act with practicality. The duty of prudence, particularly in light of our large and diverse constituency, obliges a director to act cautiously and to anticipate any probable consequences of any course of action the organization may choose to undertake.

## Duty of Diligence

To discharge this duty, directors must act in our organization's best interests and must make it their job to be as fully informed as reasonably possible with respect to all aspects of our work. As such, directors are accountable to the Canadian Chamber and must act prudently and reasonably in attempting to preserve its integrity and reputation.

On a practical level, the duty of diligence involves becoming thoroughly acquainted with our purpose and policies as well as what tasks are delegated and to whom and having a general awareness of the operations of the organization.

One of the most significant parts of this duty requires a director generally to exercise the level of care that a reasonably prudent person would exercise in comparable circumstances for the following purposes:

- To review the agenda and related material in advance of each meeting. (In practice, the dates and venues are confirmed and advertised some 12 months in advance. The working documentation for each board meeting is customarily made available to all directors in advance of meetings.)
- To attend meetings of the board and committees to which he/she may be appointed. (At the beginning of each term, all directors are assigned to at least one committee of the board and are encouraged to accept additional responsibilities.)
- To be ready to discuss the business before the meeting in a prepared and knowledgeable way.
- To vote—unless excluded by reason of conflict of interest or other prohibition—on matters that come before the meeting.

If attendance at a meeting is not possible, a director should review the minutes of the meeting, the financial statements and other documents in order to stay informed.

The board requires the active participation of all directors. Accordingly, directors are expected to attend all board meetings, barring exceptional circumstances. Exceptional circumstances may include a conflict with a director's organization's own board of directors meeting, leadership meetings requiring the presence of the director, family matters or illness. It is the responsibility of the director to inform the Board secretary of the reason of the absence.

Accordingly, as a matter of board policy, it has been agreed that, the board secretary shall keep attendance records. The nominating and governance committee will periodically review attendance records and refer instances of non-substantiated absences and numerous absences (three consecutive, justified or not) to the chair of the board. The chair of the board or his/her delegate will contact the director to encourage attendance as well as to discuss the director's circumstances, interest, commitment and explore options as required.

While our bylaws state that any director who fails to attend the requisite number of meetings or otherwise fails to meet the attendance standards mandated by our governance policies, set by the board from time to time, shall be deemed to have resigned, unless otherwise determined by majority vote of the other directors only in circumstances where a director is unresponsive to discussing his/her attendance record, shall the director be deemed to have resigned and before taking effect, such resignation shall be referred to the board who may decide otherwise by a majority vote.

## Committees

Our bylaws empower the board to appoint by resolution such committees as it may deem advisable, and to delegate matters to such committees. The terms of reference for each committee along with a description of the responsibilities is included in this Corporate Governance Manual. The roles and responsibilities of the board committee chair, deputy chair and secretary are included in the Corporate Governance Manual. The chair or deputy chair of each committee is responsible for reporting on the activities of the committee on a regular basis. The board may also appoint task forces to work on particular projects.

## Duty to Manage

In broad terms, directors have the duty to oversee the management of our organization's affairs between annual meetings and to apply our bylaws. This duty could be said to apply to the appointment and supervision of our management and staff, the establishment of policies and the provision of guidance. There is a distinction, clearly delineated, between the duties and obligations of directors and those of our staff. Directors are responsible for establishing the strategic plan, policies and goals and the management of their implementation as well as assessing management's implementation of them. Some of this work may be performed via committees of the board, and directors are encouraged to participate and share their expertise both at the board and committee levels.

Directors' relationships with our management and staff are maintained through our president and chief executive officer.

Directors are also representatives of the membership. As such, they are not authorized to speak officially for the Canadian Chamber, except on those items upon which we have formulated and approved a policy. Directors should defend our organization from unjust criticism or bring to the attention of the board such criticisms as are judged to be justified. If approached by the news media for a statement on behalf of the organization, directors should refer to the chair or the president and chief executive officer for guidance. We are a non-partisan organization.

## Duty to Avoid Conflicts of Interest

Directors of non-profit organizations, such as the Canadian Chamber, are held to strict standards of honesty and loyalty and are required to avoid situations involving a conflict between their personal interest and those of the organization. In particular, directors are precluded from using corporate property for personal benefit and from appropriating a business opportunity properly belonging to the organization. In addition, a director is not allowed to directly or indirectly receive any benefit or payment from the Canadian Chamber. The pecuniary interests of immediate family members or close personal or business associates of a director are considered to also be the pecuniary interests of the director. Fiduciary obligation can generally be discharged by complying with section 141 of the Canada Not-for-profit Corporations Act, which states that a director must disclose his/her interest in a contract with the organization at the first board meeting at which the possibility of entering into the contract is considered and must subsequently, refrain from voting.

## Duty to Act Within the Scope of Authority

It is vital that directors understand both the scope of their own authority and that of the Canadian Chamber. Generally speaking, a combination of the articles, bylaws, policies and resolutions of the membership and the board outline the organization's permitted activities as well as the authority of individual directors.

Personal liability can attach to any director whenever he/she, by conscious action or by neglect, permits the organization to carry on activities that are ultra vires of our bylaws. A director may also incur liability when he or she acts outside the scope of the authority granted to directors in our bylaws or policies.

Avoidance of personal liability in these situations is simple and straightforward. The director should oppose the action in question at the meeting at which the action is authorized by the board (or, if he/she is not present, at the first meeting attended thereafter) and should demand that his/her opposition be recorded in the minutes at which the dissent is made.

## Liability

Directors and officers of non-profit organizations are generally subject to the same liabilities imposed on management of commercial organizations. Directors are responsible for ensuring we comply with applicable laws, our articles, our bylaws and applicable resolutions of the board and of members. As in commercial corporations, non-profit directors and officers should ensure they are familiar with the liabilities that can be imposed under employment, environmental and financial reporting law as well as under the withholding provisions of taxation law.

Various statutes oblige the Canadian Chamber, like for-profit organizations, to file annual returns and to collect and remit payroll deductions and taxes. Our treasurer and finance and audit committee exercise due diligence in this area on behalf of the directors and submit regularly to the board of directors certificates of compliance related thereto.

In addition to encouraging directors to observe appropriate standards of care, we have taken steps to minimize the exposure of directors to legal liability. We maintain directors' liability insurance in the

amount of \$3 million for the board as a whole, which pays the premiums on the directors' behalf. Directors and their heirs, executors, administrators, estate and effects shall also be indemnified according to our bylaws.

## Risk Management

We take seriously our obligations to ensure material risks are identified, to ensure the implementation of systems to manage or eliminate those risks and to ensure those systems are regularly reviewed and updated. A material risk is defined as the chance of something happening, measured in terms of probability and impact, that may adversely affect the achievement of our strategic objectives.

Risk management applies to and will inform all of our activities, including developing our strategic plans, and, generally, in all decision-making processes.

The following describes our risk management principles applicable to all types of risk in all activities undertaken by or on behalf of the organization. It also outlines the risk management roles and responsibilities of the president and chief executive officer, the board and the board committees.

### Duties and Responsibilities

The duties and responsibilities in the risk management process are shared among the president and chief executive officer, the board and the board committees. Primary responsibility for our organization's risk management is vested in the president and chief executive officer and overseen by the board of directors.

With respect to the committees' roles in risk management, the executive committee takes the lead in managing the process, but other committees are also assigned responsibility for particular areas of risk, and there may be areas of overlapping responsibilities where committees will be required to work together.

### President and Chief Executive Officer

The president and chief executive officer is responsible for establishing processes, procedures and mechanisms by which key matters of financial and non-financial risk are identified and ensuring strategies are developed to manage such risks.

### Board

The board has responsibility to:

- Understand the key financial and non-financial risks of our operations.
- Ensure, through regular reviews and assessments, management has established appropriate systems to manage these risks.
- Receive regular reports on the management of material risks to our organization.

## Expenses

Because we are a non-profit organization, service on the board is a 'pay-as-you-go' proposition. Directors are expected, wherever possible, to arrange business travel in conjunction with our meetings

and to pay their own travel and accommodation expenses. Group meal functions that are held during board or committee meetings are covered by our budget.

## Recruitment

We are a non-profit, non-partisan organization. Our main source of revenue is membership fees. Specifically, our bylaws outline five types of membership: organizational members (chambers of commerce and boards of trade located in Canada), corporate members (firms associated with the business and professional life of Canada), associate members (non-geographically defined business, trade and professional organizations), individual members (individuals associated with the business and professional life of Canada), and international members (organizations who promote trade and economic relations between Canada and other countries).

As a member of the board, directors are expected to participate fully in our membership efforts by ideally recruiting at least one new member. In addition to identifying new members, directors may also be called upon to host business roundtables, attend meetings or contact potential and/or current members as part of our ongoing membership process. Directors are fully supported in all their membership efforts by our Membership and Services team.

# Code of Conduct

1. All directors shall maintain the highest standard of conduct, act with fairness, integrity and dignity and in a manner not detrimental to the interest of the public or to our organization.
2. Generally, directors should be guided by the following rules and principles of business conduct, which shall serve as an ethical guideline for making business decisions on behalf of our organization.

All directors shall:

- Support the objectives and uphold the reputation of our organization.
  - Abide by the laws, rules and regulations of Canada and any other country in which our organization conduct business.
  - Foster a safe working environment, free from discrimination, harassment or abuse.
  - Respect confidentiality obligations and privacy policies regarding personal/non-public information for all contacts.
  - Conduct all business transactions in a fair and open manner.
  - Maintain a non-partisan approach when acting on behalf of our organization.
  - Protect the assets (information, office equipment, supplies, facilities and services) of our organization and our members.
  - Not accept payments or gifts, other than those given in the spirit of business courtesy.
  - Avoid situations where personal interests could conflict with duties and responsibilities or the interest of our organization as a whole or the perception of such a conflict of interest.
  - Be honest and truthful in all business dealings.
  - Ensure the integrity of all books and records.
3. This code of conduct is supplemented by our governance policies of the board of directors.
  4. Should you have any questions or concerns regarding the application of this code of conduct, please contact our president and chief executive officer.

# Role and Responsibilities of the Officers and Directors of the Board

## Chair of the Board

Under the authority delegated by the membership through our bylaws, or through the resolutions and/or consent of the board, the chair of the board shall:

- a. Be our chief elected officer.
- b. Be the spokesperson for the board.
- c. Ensure our mission and strategic plan are followed.
- d. Call, preside at and chair meetings of our organization, including those of the board, the executive committee, annual meetings and special meetings of the membership.
- e. Determine the agenda for all board, executive committee, annual meetings and special meetings, in collaboration with our president and chief executive officer.
- f. Facilitate discussions at the board level and take all reasonable steps to ensure the appropriate level of communication among directors and between management, the board and board committees.
- g. Take all reasonable steps to ensure directors receive board material in a timely manner and the content of the material is appropriate.
- h. Be the chair of the executive committee to carry on the business of our organization between meetings of the board.
- i. Be the chair of the human resources and compensation committee.
- j. Be allowed to attend, as an ex-officio member, all meetings of the board's standing committees and task forces.
- k. Report to the membership on the actions of officers and directors over the past term at the annual meeting.
- l. Provide advice and counsel to our president and chief executive officer.
- m. Work with our president and chief executive officer to see that policies and programs that will serve our mission and goals are developed and presented to the board.
- n. Take and subscribe a solemn declaration in the following form, before entering upon the duties of the Office:  
"I solemnly declare that I will be faithful and truly perform my duty as chair of the board of the Canadian Chamber of Commerce and that I will, in all matters connected with the discharge of such duty, do all things in my capacity to promote the objects for which the Canadian Chamber of Commerce was constituted, according to their true intent and meaning."  
Or the French version :  
"Je jure que j'exercerai solennellement et loyalement les fonctions qui m'incombent en tant que président(e) du conseil d'administration de la Chambre de commerce du Canada et que, pour toutes les questions liées à l'exécution de ces fonctions, j'accomplirai l'ensemble de ces tâches comme je crois réellement et consciencieusement pour être adaptées en vue de promouvoir les objectifs pour lesquels la Chambre de commerce du Canada a été constituée, conformément à la véritable intention et le véritable sens de la Chambre."  
  - o. Support our president and chief executive officer as a liaison to affiliated domestic and international organizations.
  - p. Act as a signing officer of our organization to certify all documents and make declarations required by law (with one other officer, director or staff designated by the board).

- q. Take all reasonable steps to promote the Canadian Chamber as the voice of Canadian business, to consolidate our organization as a solid network and to promote integrity and entrepreneurship values.
- r. Perform such other duties, functions and responsibilities as assigned by the board and/or approved by the membership.

## Vice Chair

The vice chair supports the chair of the board by working toward organizational goals and begins to formulate plans for his/her term to ensure a smooth transition. Further, with the consent of the board, the vice chair shall:

- a. Assist the chair of the board with his/her duties.
- b. Assume the responsibilities of the chair of the board in his/her absence.
- c. Be chair of the chamber network committee, be a member of the executive, the human resources and compensation, the finance and audit, the corporate relations, the nominating and governance and the international strategic advisory committees.
- d. Attend meetings of the board of directors and its committees, the annual meetings and special meetings of the membership.
- e. Act as a signing officer of our organization to certify all documents and make declarations required by law (with one other officer, director or staff designated by the board).
- f. Accept responsibilities as delegated by the chair of the board.
- g. Oversee projects and assume other responsibilities as assigned.

## President and Chief Executive Officer

The president and chief executive officer is appointed by the board of directors and has the functions and responsibilities delegated to him/her by the board. Under the oversight of the board of directors, the president and chief executive officer is accountable for the overall management and success of our organization, providing leadership in the following key areas:

- Strategic direction
  - Policy direction, internal and external representation and communications
  - Corporate governance
  - Operational excellence
  - Organizational culture
- a. Strategic direction
    - Formulate and recommend for adoption by the board a long-term corporate strategy.
    - Periodically discuss the implementation of the strategy with the board.
    - Maintain overall responsibility for the implementation of the corporate strategy.
  - b. Policy direction, internal and external representation and communications
    - Set the overall policy direction of our organization.
    - Serve as our principal spokesperson in both official languages with our members, the media, the federal government and other external domestic and international stakeholders.
    - Take reasonable measures to foster an open and positive climate between our organization, the federal government and the public.

- c. Corporate governance
  - As the board's only direct report, communicate the board's direction to staff.
  - Maintain effective lines of communication with the officers and all the directors.
  - Provide overall guidance and support to the board in the governance of our organization.
  - Serve as advisor to the board as provided in the Canada Not-for-profit Corporations Act.
  
- d. Operational excellence
  - Ensure an annual business plan is developed and recommend to the board an annual budget in keeping with the corporate strategy.
  - Ensure the implementation of the business plan within the parameters of the approved budget.
  - Ensure the implementation of processes, procedures and mechanisms by which key matters of financial and non-financial risk are identified and ensure strategies are developed to manage such risks.
  - Provide overall administrative and financial stewardship of our organization and periodically report to the board of directors.
  
- e. Organizational culture
  - Foster an open and positive organizational culture focused on innovation and accountability for staff and volunteers.
  - Ensure policies are in place to attract, retain and motivate employees at every level and succession plans are in place.
  - Oversee the evaluation of staff and report to the human resources and compensation committee.

## Treasurer

The treasurer, in collaboration with the president and chief executive officer, shall inform the board of the financial performance of our organization. The treasurer shall further anticipate our future financial needs to carry out our strategic plan. With the consent of the board, the treasurer shall:

- a. Oversee the finances of our organization.
- b. Be a member of the executive, the finance and audit and the human resources and compensation committees.
- c. Attend meetings of the board of directors and its committees, the annual meetings and special meetings of the membership.
- d. In collaboration with our president and chief executive officer, assist in the development of a budget for presentation to the board for approval.
- e. Inform directors of our financial status at board and executive committee meetings.
- f. Present the membership with the financial statements and the report of auditors at the annual meeting.
- g. Assist in the development of financial policies and procedures in collaboration with our president and chief executive officer and the vice president, Finance.
- h. Help our organization ensure adequate resources are available to fund programs.
- i. Act as a signing officer of our organization to certify all documents and make declarations required by law (with one other officer, director or staff designated by the board).

- j. With the finance and audit committee, recommend the appointment of auditors at the annual meeting, establish the scope of the audit and audit fee.
- k. Regularly submit to the board certificates of compliance related to annual returns, payroll deductions and taxes.
- l. Oversee projects and assume other responsibilities as assigned.

## Corporate Secretary

The board secretary attends to the giving and service of all notices of our organization and shall keep the minutes of all meetings of the members, the board and the committees of the board. With the consent of the board, the board secretary shall:

- a. Provide a communication and information link between the board, management and the members, with particular emphasis on facilitating the flow of information.
- b. Receive information from management and take all reasonable steps to ensure it is formulated so as to facilitate effective board and committee evaluation, discussion and decision-making.
- c. Advise management of board and committee comments and decisions.
- d. Assist the chair of the board and the nominating and governance committee in providing director orientation and continuing education programs.
- e. Keep, or have kept, minutes of the proceedings of our organization, have the care and custody of our records and attend to the publication of our reports.

## Immediate Past Chair of the Board

While not included on the slate, in addition to the elected directors, the immediate past chair preceding the chair, by virtue of his/her position will be an ex-officio member of the board for one term with all the rights and privileges of a director.

The immediate past chair of the board is responsible for promoting the continuity and development of leadership in our organization. With the consent of the board, the immediate past chair of the board shall:

- a. Be a member of the executive and the human resources and compensation committees.
- b. Be the chair of the nominating and governance committee.
- c. Attend meetings of the board of directors and its committees, the annual meetings and special meetings of the membership.
- d. Oversee projects and assume other responsibilities as assigned.

## Directors

The directors are collectively the representatives of the membership and are charged with the responsibility of exercising visionary leadership; establishing values and goals; setting policies and procedures; creating value in the programs and services to the benefit of the members; supporting the employees and volunteers of our organization and respecting them as partners in advancing our mission. In conducting and supervising the business of our organization, the directors shall:

- a. Help frame the values, vision, and mission of our organization.
- b. Help identify the priority needs of our members and the resources required to achieve them and assist in formulating, establishing and assessing our strategic plans, goals and annual budget.

- c. Adopt programs to carry out our mission and goals and monitor the execution of the policies of the board and our goals and programs.
- d. Be positive in communicating board decisions to members, staff and the public.
- e. Identify and understand emerging issues pertaining to our goals and represent the views of his/her industry and region.
- f. Support and promote the programs and services to members, prospective members, the public and to other stakeholders and participate in membership retention and recruitment.
- g. Comply with our bylaws and policies and ensure compliance by others.
- h. Act as the originators of bylaw amendments and help develop policies deemed necessary consistent with our bylaws.
- i. Prepare for and attend meetings of the board in their entirety.
- j. Review and understand the board briefing documents and minutes, policy manuals, official publications and related orientation resources.
- k. Evaluate and follow up on actions taken at meetings of the board.
- l. Fulfill any assignments as committee member, board liaison or representative of our organization.
- m. Observe the governance policies, be corporate members in good standing (with the exception of board officers and nominees described in our bylaws).
- n. Fulfill other duties as mutually agreed.

## Board Committee Chair

The board committee chair is responsible for providing leadership and ensuring the committee members are aware of their obligations and that the committee complies with its responsibilities to support the board of directors in providing input, guidance and support to our organization in developing and delivering our strategic priorities and objectives. With the consent of the board, the board committee chair shall:

- a. Be a member of the executive committee.
- b. Ensure meetings are called and held in accordance with the committee's mandate, terms of reference and bylaws.
- c. Call, preside at and chair his/her respective board committee's meetings.
- d. Determine the agenda for his/her respective committee.
- e. Lead in setting the annual objectives of his/her respective committee in support our strategic priorities and objectives.
- f. Facilitate discussions at the committee level and take all reasonable steps to ensure the appropriate level of communication among directors and between management and board committee members.
- g. Take all reasonable steps to ensure committee members receive material in a timely manner and the content of the material is appropriate.
- h. Provide advice, support and counsel to management or to our president and chief executive officer as needed.
- i. Work with his/her respective committee members to see that policies and procedures that will serve the committee's work are developed and presented to the board.
- j. Report regularly to the board on the activities of his/her respective committee.
- k. Perform such other duties, functions and responsibilities as assigned by the board.

## Board Committee Deputy Chair

The board committee deputy chair is responsible for promoting the continuity and development of leadership in our organization. With the consent of the board, the board committee deputy chair of the board shall:

- a. Assist the board committee chair with his/her duties.
- b. Assume the responsibilities of the board committee chair in his/her absence.
- c. Attend meetings of the board of directors and its committees, the annual meetings and special meetings of the membership.
- d. Accept responsibilities as delegated by the board committee chair.
- e. Oversee projects and assume other responsibilities as assigned.

# Board of Directors: Terms of Reference

## Chair:

The chair of the board of directors serves as chair of the board.

## Vice Chair:

The vice chair of the board of directors serves as the vice chair of the board.

## Secretary:

The corporate secretary is the secretary of the board. The roles and responsibilities are indicated in the section above.

## Reports:

The chair or vice chair of the board will report regularly to the directors and to the members of our organization on the activities of the board.

## Composition:

In accordance with our bylaws, a slate of nominees for directors delivered by the nominating and governance committee in respect of an annual meeting shall be proposed such that (i) the nominees for directors, and (ii) the continuing directors whose terms of office as director do not expire at the next annual meeting, collectively, consist of:

- a. The chair of the board, the vice chair and the treasurer.
- b. A maximum of 32 directors to be drawn from the representatives of our organizational members and/or corporate members.
- c. An individual from a member in good standing of the provincial and territorial chamber as designated by each provincial and territorial chamber (the Atlantic provinces shall be considered to be a single provincial chamber).
- d. An individual from a member in good standing of the Chamber of Commerce Executives of Canada as designated by the Chamber of Commerce Executives of Canada.
- e. No more than six other directors.

While not included on the slate, in addition to the elected directors, the immediate past chair preceding the chair, by virtue of their position will be an ex-officio member of the board for one term with all the rights and privileges of a director.

The president and chief executive officer by virtue of his/her position, will be designated an official advisor to the board and entitled to attend and speak at any meeting of the directors or meeting of any committee of directors, but shall have no voting authority. The directors may from time to time designate any number of non-voting advisors and permit such individuals to attend meetings of the directors or meetings of any committee of directors as the directors see fit.

The slate will include at least one nominee who is resident in each recognized region of Canada.

The onboarding of directors will take place in alignment with our AGM and Convention, where the directors are appointed and an annual orientation session takes place. The term of office for each director designated in paragraphs a, c, d and e above shall be one term (i.e. one year). The term of

office for each director elected pursuant to paragraph b above, shall be two terms, with one-half of the total number of directors being elected each term. Directors shall not be eligible for re-election to the same office after serving therein for six consecutive terms until at least one term has elapsed with such director not holding such office. A director who, during his/her term is appointed to the executive committee shall be eligible for re-election for two additional consecutive terms (for a total of eight consecutive terms).

We are committed to reflecting the diverse composition of the Canadian business community as stated in our diversity policies. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including business experience and the specific expertise most needed at the time, the board also strives to ensure its composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

### Meetings:

Meetings of the board will be held four times a year, or more frequently, as circumstances require and at the call of the chair, the president and chief executive officer or at the written request of any ten directors. Meetings can be held in person, via telephone or video conference.

During each six-year term, the board will hold at least one board meeting in each of the recognized regions of Canada which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces.

Notice and agenda of board meetings shall be sent to each member of the board in advance of the meetings.

The board members may meet without the presence of management of our organization (in-camera) before or after every board meeting. As appropriate, any decisions made during this session, will be sent to the Board secretary to be included in the minutes of the meeting.

### Quorum:

Ten directors shall constitute a quorum at meetings of the board, provided that directors from at least four of the recognized regions of Canada are present. Each matter before the board, unless otherwise specified in our bylaws, shall be decided by a majority of the votes cast on the matter.

### Mandate:

The board of directors shall provide oversight of the activities and affairs of our organization. It may adopt such rules and regulations deemed necessary in regard thereto, so long as they are consistent with the provisions of applicable laws and corporate policies. The board shall have the following functions and powers:

1. With respect to strategic planning
  - a. Adopt a strategic planning process and review and update, on at least an annual basis, our strategic plan.
  - b. At least twice a year, meet with our president and chief executive officer to discuss the implementation of our strategic plan, priorities of our organization and tactical issues.

2. With respect to human resources and performance assessment
  - a. Monitor the succession planning process for senior management and the board of directors.
  - b. Choose our president and chief executive officer and approve the appointment of other senior management.
  - c. Approve, annually, the goals and objectives of the president and chief executive officer.
  - d. Monitor and assess the performance of our president and chief executive officer against his/her goals and objectives and ensure our president and chief executive officer assesses the performance of other members of management reporting to him/her.
  - e. Approve the compensation of our president and chief executive officer and the compensation policy for the other employees of our organization, taking into consideration goals and objectives fixed by the board.
  - f. Establish, at its discretion, appropriate rules and regulations to reimburse the reasonable expenses of directors and members incurred in attending meetings of the board and of the executive committee or other authorized committees or task forces.
3. With respect to financial matters and internal controls
  - a. Monitor the reliability and quality of our financial statements and the appropriateness of their disclosure.
  - b. Monitor our internal controls and management information systems.
  - c. Monitor our compliance with applicable legal and regulatory requirements.
  - d. Take appropriate steps to identify the potential risks and opportunities affecting our organization and to monitor the management of these risks and opportunities.
4. With respect to corporate governance matters
  - a. Review the size and composition of the board and its committees, taking into account competencies, skills and personal qualities of each member of the board.
  - b. Approve the list of board nominees for election by members.
  - c. Take reasonable measures to ensure the competent and ethical operation of our organization.
  - d. Develop our approach with respect to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to our organization.
  - e. Adopt and periodically review our code of conduct and take reasonable steps to see to it that this code is respected.
  - f. Ensure the annual performance assessment of the board, board committees, board and committee chairs and individual directors.
  - g. Adopt and periodically review the policy for orientation and continuing education of directors.
  - h. Adopt and periodically review a policy for receiving feedback or comments concerning our organization from stakeholders.
5. With respect to policy matters
  - a. Adopt and support, as appropriate, the policy priorities presented by management and developed with input from the board, board committees, member committees and our membership.
  - b. Provide strategic advice and ensure policies are consistent with our strategic plan.
6. With respect to corporate relations matters

- a. Adopt and periodically review our corporate relations strategy.
  - b. Provide expertise and support our revenue-generating process, specifically related to membership and sponsorship activities.
  - c. Provide strategic advice on corporate membership recruitment and retention as well as marketing and communications approaches.
7. With respect to improving the chamber network
- a. Review the recommendations of the chamber network committee and taking action to improve the relationship with the chamber network.
  - b. Provide guidance on the general flow of communication and consultations between our organization, provincial, territorial and local chambers of commerce.

The board may from time to time establish one or more committees of directors. However, there is a limit of delegation of authority as follows.

Excerpt from bylaw 50:

#### **Limit of Delegation of Authority**

The directors may delegate to each standing committee of the board any of the powers of the directors, except that no committee shall have the authority to:

- a. Submit to the voting members any question or matter requiring the approval of the voting members.
- b. Fill a vacancy among the directors or in the office of public accountant or appoint additional directors.
- c. Issue debt obligations except as authorized by the directors.
- d. Approve any financial statements to be placed before the voting members of the Organization.
- e. Adopt, amend or repeal bylaws of the Organization.
- f. Establish contributions to be made or dues to be paid by members as provided in the Act.

#### **Committee Performance:**

The nominating and governance committee will oversee an annual review and evaluation of the performance of the board and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the board.

In addition, the board will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements it considers necessary or appropriate.

#### **Standing Agenda:**

The board will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of the board.

January – March

- Review and approval of year-end audited financial statements. Based on timing, this may be performed electronically.

- Report from executive committee, including progress on strategic plan and other matters as needed.
- Hold an annual chair invitational meeting with provincial and territorial chamber representatives on the board.

#### April – June

- Review and approval of 10 Ways document.
- Review and approval of the slate of nominees.
- Review and approval of the members of the executive committee (i.e. officers, board committee chairs and members at large) and deputy chairs as well as board advisors, if applicable.
- Review and approval of the reappointment of audit firm.
- Review and approval of the modifications to bylaws as needed.
- Report from executive committee, including progress on strategic plan and other matters as needed.

#### July – September

- Report from executive committee chair related to the board performance evaluation.
- Report from the board committee chairs related to the board committees' performance evaluation.
- Report from executive committee, including progress on strategic plan and other matters as needed.

#### October – December

- Review and approval of the business plan, management objectives as well as operating and capital budgets.
- Review and approval of policy resolutions referred to the board from the policy conference.
- Reports from executive committee, including progress on strategic plan and other matters as needed.

# Committees of the Canadian Chamber

The directors may from time to time establish from one or more committees of the board: standing board committees. Standing board committees provide input, guidance and support to the board and our organization in developing and delivering our strategic priorities and objectives. Their mandates are approved by the board of directors and they are composed solely of directors. They can be permanent in nature or created for a special purpose.

The standing board committees of the Canadian Chamber are:

- Executive committee
- Finance and audit committee
- Corporate relations committee
- Human resources and compensation committee
- International strategic advisory committee
- Nominating and governance committee
- Policy committee
- Chamber network committee

# Standing Board Committees: Terms of Reference

## Executive Committee

### Chair:

The chair of the board of directors serves as the chair of this committee.

### Deputy Chair:

The vice chair of the board of directors serves as the deputy chair of this committee.

### Secretary:

The board secretary serves as secretary of this committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

### Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

### Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. The treasurer of the board.
- d. The immediate past chair of the board, if such individual is a director.
- e. The chairs of each board committee.
- f. Up to an additional five directors; in accordance with our bylaws, this committee shall strive to include at least one resident director from each of the recognized regions of Canada, which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces. However, in no event will this committee be comprised of residents from fewer than five recognized regions.

All committee members must be in good standing and have a good record of attendance.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

We are committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

## Meetings:

Meetings of the committee will be held four times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

## Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

## Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering our strategic priorities and objectives.

The executive committee has the following responsibilities:

1. To the fullest extent permitted by law other than the exceptions listed in the Canada Not-for-profit Corporations Act, bylaw 50, the executive committee shall carry on, and shall have full power to carry on, the business of the organization between the meetings of the board, including to authorize budgeted expenditures, and shall report on our activities at each meeting of the board, including status reports on our strategic issues and priorities.
2. The executive committee shall have the power to name committee chairs in between board meetings and to appoint such committees and task forces as it may deem advisable to study and report back to the board on an as needed basis, but at least annually, on matters submitted to them.
3. From time to time, the executive committee may authorize the purchase or authorize the acquisition of stocks, bonds or securities and alienate, sell, convey or otherwise authorize the disposal of the same in the best interests of our organization.

## Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee and the board.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

## Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

### January – March

- Convene an annual exchange with provincial and territorial delegates who are members of the board of directors (i.e. representatives of provincial and territorial chambers).
- In-depth review and update the overall strategy.
- Review the previous year's audited financial statements recommended by the finance and audit committee for approval by the board.
- Review first-quarter objectives' status.
- Oversight of enterprise risk management.
- Review leadership development and executive succession planning (or June).

### April – June

- Review and update the overall strategy.
- Review and recommend board committee chairs for upcoming year.
- Review the upcoming year's slate of nominees recommended by the nominating and governance committee for approval by the board.
- Initiate the Emeritus Leaders' Circle/Cercle des leaders émérites award process (i.e. former director award).
- Approve future location for AGM (rotation of two years in advance).
- Review first-quarter financial results.
- Review second-quarter objectives status.
- Oversight of enterprise risk management.

### July – September

- Review and update the overall strategy.
- Approve dates and locations of quarterly board meeting for upcoming year.
- Review second-quarter financial results.
- Review third-quarter objectives status.
- Oversight of enterprise risk management.

### October – December

- Review and update the overall strategy.
- Review the third quarter financial results.
- Review the operating and capital budgets for the upcoming year recommended by the finance and audit committee for approval by the board.
- Review policy priorities for upcoming year.
- Review key initiatives for upcoming year.
- Review the 10 Ways document for upcoming year.
- Oversight of enterprise risk management.

## Finance and Audit Committee

### Chair:

The treasurer serves as the chair of this committee.

### Deputy Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the deputy chair of this committee.

### Secretary:

A staff member serves as secretary of the committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

### Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

### Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. The chair of the board.
- d. The vice chair of the board.
- e. Up to an additional eight directors; to the extent possible, will include members who are financially literate and have accounting, auditing or financial experience.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

We are committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees will also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

### Meetings:

Meetings of the committee will be held four times a year, or more frequently, as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

## Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

## Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering our strategic priorities and objectives.

The purpose of the finance and audit committee is to assist the board of directors in fulfilling its responsibilities by reviewing, advising and making recommendations to the executive committee or board of directors, in respect of the bylaw requirements in the following areas:

1. To review and provide guidance on the financial operations of our organization.
2. To review and provide recommendations on the following:
  - a. The annual budget.
  - b. Quarterly financial statements and discussion of variances.
  - c. Investment policy for both long-term funds and short-term funds.
  - d. Major capital expenditures.
  - e. Unbudgeted items that are 50% or more than the materiality threshold set by the external auditor and variances to items included in budget that are 50% or more of materiality threshold set by the external auditor.
  - f. Large projects, leases or contracts with costs of more than five times the materiality threshold set by the external auditor.
  - g. Any other matters pertinent to the financing of our organization.
3. To review and provide guidance on the appropriateness and integrity of the accounting principles and practices used by our organization.
4. To review and provide guidance on our financial statements and other financial reporting, including:
  - a. Reviewing and discussing with management and the external auditor our annual financial statements.
  - b. Recommending to the board approval of the audited financial statements.
  - c. Reviewing major issues regarding accounting principles and financial statement presentation.
  - d. Reviewing all critical accounting policies and practices, including all alternative treatments of financial information.
5. To review and provide guidance on the appropriateness of the disclosure principles and practices followed by management in preparing the financial statements.
6. To review and provide guidance on the external auditor's qualifications, independence and performance, including:
  - a. Recommending the external auditor for appointment or replacement to the board and for ratification by our organizational members.
  - b. Recommending compensation of the external auditor to the board.
  - c. Reviewing and pre-approving of all annual financial audit fees and non-audit services and fees where those fees exceed 25% of annual financial audit fees to be performed by the external auditor, regardless of threshold established all work performed by the external auditor is to be reported to this committee.

- d. Reviewing the overall scope of the external audit plan at least annually.
  - e. Receiving all reporting from the external auditor (i.e. the external auditor reports to the audit committee).
  - f. Periodically reviewing the status and findings of the external auditor's audit program.
  - g. Confirming the external auditor's independence, including reviewing our hiring policies for employees of former employees of the external auditor.
7. To review and provide guidance on management's establishment of an adequate system of internal controls and procedures and effective performance of those internal controls and procedures.
  8. To oversee management's compliance relating to remittances.
  9. To oversee the adequacy of the enterprise property insurance coverage.
  10. To authorize the retention/hiring of independent professionals to assist in conducting of any investigation identified by this committee as required.
  11. To regularly review with management, the principal financial risks facing our organization, the assessment of those risks and how they are managed or mitigated.
  12. Annually set objectives for the committee to establish a forward agenda taking into consideration of the timeline below.
  13. For other risks, issues or questions delegated to it by the board of directors.

While the committee has the responsibility and powers set forth in its mandate, it is not the duty of the finance and audit committee to plan or conduct audits or to determine that our financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and/or applicable rules or regulations. These are the responsibility of management and the external auditor. In carrying out its oversight responsibilities, the committee will necessarily rely on the expertise, knowledge and integrity of our management and external auditors.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

### Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

#### January – March

- Meeting with the auditors to review external audit plan.
- Review audit engagement letter.
- Review committee terms of reference.
- Set annual objectives to include in a forward agenda.
- Review principal financial risks assessment and mitigation with management.

- Meeting with the auditors to review Audit Findings Report, including audit plan debrief, critical accounting estimates, financial statement presentation and disclosure, adjustments and differences, control observations, audit risks and results and auditors' independence.
- Review audit representation letter.
- Review audited financial statements to bring forth a recommendation for approval to the board.
- Report on annual financial compliance and insurance coverage.
- Distribute evaluation survey for external audit firm.

#### April – May

- Review internal YTD financial results.
- Review management's annual forecast to December.
- Review evaluation survey summary for external audit firm and bring forth a recommendation for approval to the board.

#### July – September

- Review internal YTD financial results.
- Review management's annual forecast to December.

#### October – December

- Review internal YTD financial results.
- Review management's annual forecast to December.
- In support of the annual business plan, review the financial budgets to bring forth a recommendation for approval to the board.

## Corporate Relations Committee

### Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the chair of this committee.

### Deputy Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the deputy chair of this committee.

### Secretary:

A staff member serves as secretary of the committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

### Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

### Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. The chair of the board.
- d. The vice chair of the board.
- e. Up to an additional eight directors striving to obtain at least one resident director from each of the recognized regions of Canada, which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces.

To the extent possible, the committee will include directors with experience in marketing and/or sales.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

We are committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

### Meetings:

Meetings of the committee will be held four times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

### Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

### Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering our strategic priorities and objectives.

The corporate relations committee has the following responsibilities:

1. To provide general guidance, expertise and support to our organization's management with regard to membership and sponsorship development activities. Directors will be asked to give

strategic advice on corporate membership, including the value proposition and value for members and marketing and communications approaches designed by staff to acquire and retain new members.

2. To be actively involved in the process of recruiting and retaining members, on the advice of staff. In this capacity, the chair of the committee should use his/her judgment and influence with committee members to encourage rapport between committee members and those corporate members or prospects with whom they have had prior contact or association.
3. Track the revenue generation process and provide expertise when needed.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

### Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

#### January – March

- Review end of previous year numbers and current annual strategy.
- Review the membership development strategy and results.
- Review progress on revenue against budget.

#### April – June

- Review progress on the membership development strategy and results.
- Review progress on revenue against budget.

#### July – September

- Review progress on the membership development strategy and results.
- Review progress on revenue against budget.
- Evaluation of committee engagement and mandate.

#### October – December

- Review progress on the membership development strategy and results.
- Review progress on revenue against budget.
- Review the marketing/communications/value proposition strategy against results.

## Human Resources and Compensation Committee

### Chair:

The chair of the board of directors serves as the chair of this committee.

## Deputy Chair:

The vice chair of the board of directors serves as the deputy chair of this committee.

## Secretary:

A staff member serves as secretary of the committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

## Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

## Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. The treasurer.
- d. The immediate past chair of the board.
- e. Up to an additional eight directors; to the extent possible, the committee will include members with experience in human resources and talent development.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

We are committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

## Meetings:

Meetings of the committee will be held three times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

## Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the

determination of quorum. With the exception that the president and chief executive officer will not be included in such circumstances where a matter discussed involves but is not limited to the CEO engagement or compensation. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

### Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering the organization's strategic priorities and objectives.

The human resources and compensation committee has the following responsibilities:

1. The committee shall review annually the succession plans for senior management (including the president and chief executive officer).
2. The committee shall recommend to the board the president and chief executive officer's remuneration, benefits and terms of employment.
3. The committee shall recommend to the board the compensation policy and guidelines for other members of senior management and staff. This includes benefit and pension plans and any employment contracts containing termination or other special provisions outside of normal employment practices of our organization.
4. The committee shall, if needed, review organizational structure recommended by the president and chief executive officer.
5. The committee shall, on an annual basis, review the performance of the senior management group using information provided by the president and chief executive officer.
6. The committee shall, on an annual basis, review the objectives of the president and chief executive officer and assess his/her performance in relation to those objectives.
7. The committee shall receive, on a yearly basis, a presentation summarizing leadership and talent development initiatives recommended for key executives together with budget if required.
8. The committee shall receive, on a yearly basis, a presentation summarizing development initiatives, seminars and training attended during the previous year.
9. The committee shall, on an annual basis, review our human resources and human resources policies, including code of conduct and ethics for all employees, officers and board members.
10. The committee shall report regularly to the board or to the executive committee, as the case may be, on progress on objectives and work of this committee.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

### Standing agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

#### January – March

- Review and assessment of preceding years' management objectives.
- Overview and preliminary financial results from previous year.
- Assess and approval of bonus pool based on staff performance and yearly results prior to the commencement of the year end audit (e.g. by first week of February).
- Review and assessment of staff base pay performance increases.
- Assess progress on 10 Ways.
- Assessment of policy advocacy performance for previous year.
- Leadership development and succession planning review.
- In-camera (consideration of base pay for president and chief executive officer).

#### July – September

- Leadership development and succession planning framework update.
- Review and assessment of HR policies.
- Review and reassessment of terms of reference.
- Review and evaluation of HR and compensation committee performance.

#### October – December

- Consideration of vacation carry over (if any).
- Review and approval of salary policy and guidelines for the following year prior to presenting of the annual budget to the finance and audit committee scheduled in this same timeframe.
- Review and approval of following year management objectives.
- Review and assessment of internal succession potential candidates.

## International Strategic Advisory Committee

### Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the chair of this committee.

### Deputy Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the deputy chair of this committee.

### Secretary:

A staff member serves as secretary of the committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

### Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

### Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.

- b. The deputy chair of this committee.
- c. The chair of the board.
- d. The vice chair of the board.
- e. Up to an additional eight directors striving to obtain at least one resident director from each of the recognized regions of Canada, which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces.

To the extent possible, the committee will include members with experience in International business.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee should there be a cost for these services.

We are committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

### Meetings:

Meetings of the committee will be held four times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. At least one meeting per year shall be held in person. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

### Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

### Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering our strategic priorities and objectives.

The International Strategic Advisory Committee has the following responsibilities:

1. Provide advice as needed for our strategic international activities with an aim to: engage the membership; provide input to our organization; and enhance our profile and value proposition.

This includes Canadian Services Coalition, BIAC Canada, International Affairs Committee and others as appropriate.

2. Provide advice on monetization of our international products, affiliations and activities.
3. Grow membership engagement in our international policy and advocacy initiatives.
4. SME internationalization: provide advice on how to position our organization as an optimum information hub-and-spoke entity to grow Canadian SME exports, in collaboration with other players when applicable, and defining SMEs as businesses with 500 or less employees.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

### Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

January – March

- Review progress of our international activities.

April – June

- Mid-year review of progress of our international activities.

July – September

- Review progress of our international activities.
- Review proposed budget for our international activities.

October – December (in person meeting to coincide with our board meeting)

- End of year review of our international activities.
- Agree our international objectives for next year.
- Agree on next year's budget for our international activities.
- Review of ISAC terms of reference.

## Nominating and Governance Committee

### Chair:

The immediate past chair of the board of directors serves as the chair of this committee.

### Deputy Chair:

The chair of the board of directors serves as the deputy chair of this committee.

## Secretary:

A staff member serves as secretary of this committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

## Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

## Composition:

The committee will be comprised of eight to twelve directors including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. The vice chair of the board.
- d. Up to an additional nine (9) directors striving to obtain at least one resident director from each of the recognized regions of Canada, which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces.

To the extent possible, the committee will include members with experience in corporate or association governance.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

Our organization is committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

## Meetings:

Meetings of the committee will be held four times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

## Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

## Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering our strategic priorities and objectives.

The nominating and governance committee has the following responsibilities:

1. Board Composition and Evaluation:
  - a. Develop membership qualifications for the board of directors and all board committees, including defining specific criteria to recommend to the board for the selection of new directors to serve on the board.
  - b. Identify individuals believed to be qualified as candidates to serve on the board, consistent with criteria approved by the board and recommend the candidates for all directorships to be filled by the board at an annual or special meeting in accordance with the "Composition requirements of the Director Nominees" as stated in our bylaws. This committee may take into consideration candidates proposed by management and should seek input from the board. In addition, the nominating and governance committee shall review and make recommendations to the board whether members of the board should stand for re-election. It shall consider matters relating to the retirement of board members.
  - c. Conduct appropriate inquiries into the qualifications of possible candidates as directors. The committee shall coordinate and assist management and the board of directors in recruiting new members to the board of directors.
  - d. Review and make recommendations, as the nominating and governance committee deems appropriate, regarding the composition and size of the board in order to ensure the board has the requisite expertise and its membership consists of persons with sufficient diversity.
  - e. Review director attendance at board meetings, committee meetings and education sessions.
  - f. Recommend to the board of directors' board committee assignments and appointment of board officers to ensure succession planning for the board chair, vice chair, executive committee members and board committee chairs.
  - g. At least annually and as circumstances otherwise dictate; oversee evaluation of the board of directors and board members' contributions.
  - h. Oversee an orientation program for new members of the board and a continuing education program for all members of the board, as well as, an orientation program for board committee chairs.
  - i. Ensure the currency of and monitor compliance with our code of conduct and ethics. In the event the committee determines that action may be required, it will refer the matter to the executive committee for appropriate action.
2. Committee Selection and Composition:
  - a. Establish, monitor and recommend the purpose, structure and operations of the various committees of the board as well as the qualifications and criteria for membership on

- each such committee and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees and suggest any term limitations of service on any board committee.
- b. As may be appropriate, review and make recommendations to the board of directors about the structure and functions, as well as, the creation of additional or the elimination of board committees, after consultation with the respective committee chairs.
  - c. Recommend to the board members of the board to serve on the committees of the board, giving consideration to the criteria for service on each committee as set forth in the terms of reference for such committee, as well as to any factors the nominating and governance committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of any committee. In nominating a candidate for committee membership, the committee shall take into consideration the factors set forth in the terms of reference of the committee, if any, as well as any other factors it deems appropriate, including, without limitation, (i) the consistency of the candidate's experience with the goals of the committee and (ii) the interplay of the candidate's experience with the experience of other committee members.
  - d. Recommend to the board members of the board to serve as the chairs of committees of the board.
  - e. Recommend to the board members of the board to serve as the deputy chairs of committees of the board.
3. Corporate Governance:
- a. Consider the adequacy of our bylaws and our constituent documents and recommend modifications to the board for adoption or, if required, amendment by the members at the next annual meeting.
  - b. Regularly review and recommend any proposed changes to the board as it relates to corporate governance principles and guidelines as may be appropriate.
  - c. Review management's monitoring of compliance with our standards of corporate conduct, consider any requests for waivers of our codes of ethics by directors or executive officers and review any material proposed transactions between our organization and our members, directors or executive officers.
  - d. Recommend to the board such additional actions related to corporate governance matters as the committee may deem necessary or advisable from time to time.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

### Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

#### January – March

- Initiate nomination and recruitment processes by identifying directors with term completed or due for reappointment.
- Confirm approaches relating to reappointments and departures keeping in mind director competencies, attendance records and diversity requirements for the upcoming term.
- Confirm plan for approaching reappointments and departing directors.
- Solicit interest from directors in being considered for an officer position, board chair position, deputy chair position or executive committee member position.
- Solicit interest from directors for candidates for new directors and provide specific areas of improvements sought to respect the diversity requirements for the upcoming term.
- Distribute new director board applications for review and consideration.
- Review board committees' purpose, structure and operations, bring forth to executive committee recommendations as needed.
- Review adequacy of bylaws.
- Review governance principals (i.e. governance manual) and compliance with our corporate conduct.
- Review status of reappointments.
- Identify number of vacancies.
- Review applications for new board candidates along with bios.
- Interview potential directors.
- Identify officers, executive committee members, which includes board committee chairs, along with deputy chairs.
- Present officers, executive committee members, which includes board committee chairs to the board.
- Identify prospective directors.
- Confirm candidates to approach for potential new directors keeping in mind director competencies and diversity requirements for the upcoming term areas.
- Confirm approach relating to offers to potential new directors.

#### April – June

- Obtain details relating to provincial/territorial chamber and CCEC representatives.
- Finalize nominations.
- Recommend the slate of nominees, including officers and executive committee members to the board for approval subject to the approval of the voting members during the annual meeting.
- Assign mentor directors.
- Initiate board and board committee performance evaluation processes.

#### July – September

- Send letters/emails to departing, new, reappointed directors.
- Identify board committee participation for new directors based on skill sets and make approaches.
- Compile board performance evaluation forms and report anonymous summary results.
- New directors' orientation.
- Include the board committee composition list board in the Board Book.
- Present anonymous summary results of the board performance evaluation and recommendations for improvements, as needed, to executive committee.

October – December

- ❑ Set annual objectives to include in a forward agenda.
- ❑ Update board matrix.
- ❑ Discuss director competencies with board and identify improvement areas to focus on for the next term.

## Policy Committee

### Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the chair of this committee.

### Deputy Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the deputy chair of this committee.

### Secretary:

A staff member serves as secretary of the committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

### Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

### Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. Up to an additional ten (10) directors striving to obtain at least one resident director from each of the recognized regions of Canada, which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces.

To the extent possible, the committee will include members with experience in policy advocacy and development.

All committees are encouraged to draw on resources outside the committee (e.g. past directors, governors). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

Our organization is committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise

most needed at the time, the board committees also strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

### Meetings:

Meetings of the committee will be held four times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

### Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

### Mandate:

Board committees provide input, guidance and support to Canadian Chamber in developing and delivering the organization's strategic priorities and objectives.

The policy committee has the following responsibilities:

1. To provide advice and guidance as needed to staff in a timely fashion on our policy development process (includes the policy resolution process) in order to ensure the process is kept current, effective, and results in policy positions that reflect the views of our organization members. This includes evaluating policy resolutions submitted to our organization for consideration at our AGM and Convention.
2. To provide support and input to staff in setting policy priorities based on annual policy resolutions, policy committee recommendations, emerging issues, and guidance from the board in setting policies consistent with our strategic plan.
3. To provide input on policy positions that may affect specific members or a sub-set of members, on an as needed, ad hoc basis.
4. To conduct an annual review of progress against our top policy priorities and provide a performance assessment to the human resources and compensation committee in support of the year-end review and annual assessment of our organization's progress and performance against our plan.
5. To regularly report to the board on progress of significant policy initiatives.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements the committee considers necessary or appropriate.

### Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

#### January – March

- Provide a performance assessment to the human resources and compensation committee in support of the year-end on policy priorities.
- Provide advice and guidance to staff in a timely fashion on our policy development process (includes the policy resolution process) in order to ensure the process is kept current, effective, and results in policy positions that reflect the views of our organization, our members, the board and the strategic plan.

#### April – June

- Review of progress against our policy priorities.
- Provide advice and guidance to staff in a timely fashion on our policy development process (includes the policy resolution process) in order to ensure the process is kept current, effective, and results in policy positions that reflect the views of our organization, our members, the board and the strategic plan.

#### July – September

- Review of progress against our policy priorities
- Provide advice and guidance to staff in a timely fashion on our policy development process (includes the policy resolution process) in order to ensure the process is kept current, effective, and results in policy positions that reflect the views of our organization, our members, the board and the strategic plan.
- Evaluate policy resolutions submitted to our organization for consideration at our AGM and Convention to ensure compliance with resolution criteria.

#### October – December

- Review of progress against our policy priorities
- Provide advice and guidance to staff in a timely fashion on our policy development process (includes the policy resolution process) in order to ensure the process is kept current, effective, and results in policy positions that reflect the views of our organization, our members, the board and our strategic plan.

## Chamber Network Committee

### Chair:

The vice chair of the board of directors serves as the chair of this committee.

### Deputy Chair:

The nominating and governance committee, on an annual basis, will recommend to the board, for approval, the deputy chair of this committee selected, from the members of this committee.

### Secretary:

A staff member serves as secretary of the committee. The secretary will support the work of the committee by working with members to identify priorities and develop the forward agenda, coordinating meetings and maintaining meeting minutes and other records of activities.

### Reports:

The chair or the deputy chair of the committee will report regularly to the board or to the executive committee on the activities of the committee.

### Composition:

The committee will be comprised of eight to 12 directors, including the following:

- a. The chair of this committee.
- b. The deputy chair of this committee.
- c. The provincial and territorial representatives on the board.
- d. The CCEC representative on the board.

This committee will strive to obtain at least one resident director from each of the recognized regions of Canada, which are: (i) Northern Territories (i.e. Yukon, Northwest Territories and Nunavut); (ii) British Columbia; (iii) Alberta, Saskatchewan and Manitoba; (iv) Ontario; (v) Québec; and (vi) the Atlantic Provinces.

All committees are encouraged to draw on resources outside the committee (e.g., past directors, governors, or members of the four chamber network caucuses—rural, mid-urban, urban and metro city chambers of commerce). In exceptional circumstances, all committees can also reach out to third-party advisors and external consultants with prior approval by the executive committee, should there be a cost for these services.

Our organization is committed to reflecting the diverse composition of the Canadian business community. While the primary criterion will remain the personal and professional capabilities of each individual who is asked to serve, including experience in chairing committees and the specific expertise most needed at the time, the board committees strive to ensure their composition reflects the regional, gender, age, sectoral, size of organization and ethno cultural diversity of Canada.

### Meetings:

Meetings of the committee will be held four times a year or more frequently as circumstances require and at the discretion of the chair or deputy chair. Meetings can be held in person, via telephone or video conference.

Notice and agendas of committee meetings will be sent to each member of the committee in advance of committee meetings.

An in-camera session will be included as part of the agenda at every meeting. As appropriate, any decisions made during this session, will be sent to the committee secretary to be included in the minutes of the meeting.

### Quorum:

A majority of the committee members (more than 50%), will constitute quorum. Our president and chief executive officer will be considered a director and a member of the committee and counted in the determination of quorum. Each matter before the committee shall be decided by a majority of the votes cast on the matter.

### Mandate:

Board committees provide input, guidance and support to our organization in developing and delivering the organization's strategic priorities and objectives.

The chamber network committee has the following responsibilities:

1. To foster ongoing cooperation among all levels of the network across the country through open and honest dialogue.
2. To continue to improve consultation with local chambers and develop further support of our priorities within the network at large.
3. To serve as a discussion platform for people with a vested interest in the evolution of the network of chambers in Canada.
4. To act as a catalyst and vetting body for ideas to further strengthen the relevance and overall effectiveness of the chamber network at all levels.
5. To assist in strengthening the federal policy and advocacy knowledge of local chambers.
6. To assist in the consultation with stakeholders in their region and to support the strategic review process of our organization.
7. To advise on policy positions that may affect specific regions and/or members or a sub-set of members, on an as needed, ad hoc basis.
8. To provide support and advice to staff in setting policy priorities based on annual policy resolutions, policy committee recommendations, emerging issues and guidance from the board in setting policies consistent with our strategic plan.
9. To share, for committee discussion, timely information that may affect the chamber network.
10. Roles and Responsibilities:

In addition to the roles and responsibilities outlined for all board directors (as noted in this Corporate Governance Manual), it is important that the regional chamber representatives and chamber-appointed representatives share the views of the chambers they represent whenever possible. Chamber representatives on our board should inform the discussion at the board with regional perspectives so actions and outcomes can be based on the best regional intelligence possible.

### Committee Performance:

This committee will perform an annual review and evaluation of the performance of this committee and its members, including a review of adherence to the terms of reference. The results of the assessment will be reported to the executive committee.

In addition, the committee will conduct an annual review to determine the relevance and effectiveness of its terms of reference and recommend to the board any improvements that this committee considers necessary or appropriate.

### Standing Agenda:

The committee will develop a standing agenda. The purpose is to identify annual priorities and tasks to perform in order to fulfill the mandate and duties of this committee.

#### January – February

- Review current survey results and where the gaps and opportunities are.
- Review and approve chamber network committee survey.
- Gather input for the priorities by reaching out to our own networks (provincial, territorial, CCEC) – develop survey/possibly based on stratification.

#### March – May

- Review survey results.
- Develop recommendations from survey results, caucuses, committee input.
- Develop parameters around a coordinated network campaign and communication framework from survey results.

#### June – August

- Work on communication framework.
- Work on coordinated network campaign.

#### September

- Launch the coordinated chamber network campaign.
- Report back to the network on work of committee.

# Appendix A: Policies of the Board of Directors

## Board Attendance

September 2016

Pursuant to our bylaws (section 34):

Any director who fails to attend the requisite number of meetings or otherwise fails to meet the attendance standards mandated by the governance policies of the Corporation, set by the board from time to time, shall be deemed to have resigned, unless otherwise determined by majority vote of the other directors.

### Current Attendance Policy

The board requires the active participation of all directors. Accordingly, directors are expected to attend all board meetings, barring exceptional circumstances. Exceptional circumstances may include a conflict with a director's organization's own board of directors meeting, leadership meetings requiring the presence of the director, family matters or illness. It is the responsibility of the director to inform the board secretary of the reason of the absence.

The nominating and governance committee shall periodically review attendance records and refer instances of non-substantiated absences and numerous absences (three consecutive, justified or not) to the chair of the board. The chair of the board or his/her delegate will contact the director to encourage attendance, as well as, to discuss the director's circumstances, interest, commitment and explore options as required.

Only in circumstances where a director is unresponsive to discussing his/her attendance record, shall the director be deemed to have resigned and before taking effect, such resignation shall be referred to the board who may decide otherwise by a majority vote.

### Process

Under the guidance of the chair of the nominating and governance committee an active communication process will be engaged with all directors regarding the attendance policy and expectations, as follows:

- Prior to acceptance onto the board, the prospective director will receive the attendance policy directly from a member of the board executive committee, the chair of the nominating and governance committee or the secretary of the nominating and governance committee to ensure the candidate is fully aware of the expectations for attendance. The attendance expectation and policies will also be part of the direct communication with the new director's mentor and included in the orientation session.
- Our president and chief executive officer will send a congratulatory note to the new director and his/her CEO, with the dates and locations of all upcoming board meetings and corporate events as well as a copy of the board attendance policy.
- When a director has failed to attend two board meetings without proper justification, the chair of the board of directors or his/her delegate will directly contact the director to encourage attendance.

- When a director has failed to attend three consecutive, justified or not, board meetings, the chair of the board of directors or his/her delegate will directly contact the director, as well as, the organization at a senior level to assess the commitment level and determine a recommendation for the executive committee on continued director status. At all times the director will be encouraged to attend the following board meetings.
- The unique circumstances of each case must be recognized. The corporate commitment and engagement level of the director's organization as well as the sensitivity to the sector, corporate situation and the diversity goals of our organization should be carefully considered in any recommendations forwarded to the full board. Our Membership and Services team will be a key communications and advisory partner in all recommendations.
- When making a recommendation to the executive committee on who will be responsible for removing directors and recommending replacement directors to the full board, the nominating and governance committee will also present possible alternative options prior to the vote.

## Board Directors Onboarding

June 2018

It is important to establish a process for onboarding new directors to ensure adequate orientation. It is the policy of our organization to onboard directors in alignment with our AGM and Convention, which takes place in September or October. This timing will allow alignment with the annual orientation session for new directors to ensure a smooth transition and allow time to familiarize themselves with our organization as well as plan calendars to maximize attendance at board meetings.

Below is an excerpt from the Corporate Governance Manual that emphasizes the importance of orientation:

### Duty of Knowledge

A director of any corporation, for-profit or non-profit, must have a basic knowledge of the organization. At a minimum, all directors should make it their business to be aware of the requirements of the internal governance mechanisms by which the board operates—in our case, the Canada Not-for-profit Corporations Act and our bylaws and policies. For questions of parliamentary procedure, Robert's Rules of Order will be the board's model. Similarly, all directors must understand what our organization does in practice and how we put our purposes into action.

The orientation of all new board members is considered a fundamental prerequisite to full participation in the processes of the board. We begin our orientation at the moment each director is nominated, through the provision of background information. In addition, an orientation session—in person or through digital channels—is held annually. Directors must consider that the duties of their office include an obligation to review, at least annually, the mission, vision, and objectives of our organization to ensure they remain consistent to the objects of our organization as set out in our bylaws.

With this in mind, the onboarding of directors is to take place in alignment with the annual meeting, where directors are appointed and an annual orientation session takes place.

The steps for onboarding directors are as follows:

1. All expressions of interest to be considered as a candidate for the board of directors are to be directed to the secretary of the nominating and governance committee.

2. The secretary of the nominating and governance committee will contact (i.e. template email) the individual to describe the process leading to becoming a director, to obtain a completed board of directors' expression of interest form, including board profile details, and sign off relating to the respect of directors' code of conduct.
3. The secretary of the nominating and governance committee will present details received from the candidate to the nominating and governance committee for consideration.
4. Once an individual is approved by the board as a candidate on the slate of nominees awaiting final approval by voting members at the annual meeting, the secretary of the nominating and governance committee will contact (i.e. template email) the nominee to provide an update on process as it moves forward and access to initial orientation information.

## Board Diversity

May 2018

The Canadian Chamber of Commerce (the "Organization") believes in diversity and values the benefits that diversity can bring to its board of directors (the "Board"). Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures the Organization has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

The Organization seeks to maintain a Board and its committees comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and backgrounds collectively represented on the Board and its committees should reflect the diverse nature of the business environment in which the Organization operates. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender, ethnicity and Aboriginal status. In particular, the Board should include an appropriate number of women directors.

The Organization is committed to a merit-based system for Board composition within a diverse and inclusive culture that solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board and committee composition or identifying suitable candidates for appointment or re-election to the Board, the Organization will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

The Organization seeks to maintain a Board in which each gender represents at least 40% of the directors.

Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates, generally, and multiple women candidates, in particular.

Annually, the Board or a committee of the Board will review this policy and assess its effectiveness in promoting a diverse Board that includes an appropriate number of women directors.