

INSTITUTE OF CORPORATE DIRECTORS

GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER

Approved by the Board of Directors on November 24, 2021

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1. Statement of Purpose

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

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

2. Committee Membership

Composition

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

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

Chair of the Committee

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

Qualifications

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

Management Attendance

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

3. Committee Operations

Meetings

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

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

In-Camera Meetings

At every meeting, the Committee members shall meet in camera with the CEO and as Committee members only. The Chair of the Committee shall determine other participants in any in-camera sessions.

Agenda and Reporting to the Board

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

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

Voting at Meetings

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

Minutes

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

The Corporate Secretary of the ICD is responsible for ensuring that draft minutes are completed after each meeting. The Corporate Secretary will circulate the draft minutes to the Chair within 7 days after the Committee meeting and to the entire Committee 5- 7 days prior to the next meeting of the Committee.

Quorum and Transaction of Business

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

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

Absence of Chair of the Committee

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

4. Committee Duties and Responsibilities

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

a) Approach to Corporate Governance

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

- approve a process for an annual evaluation of the Board and the Chair of the Board, and consider annually whether any changes or enhancements should be made to that process;
- consider and recommend to the Board any new committees the Committee believes are appropriate;
- develop charters for any new committees established by the Board; annually review this Governance and Human Resources Committee Charter; annually review the Corporate Governance Guidelines (including the Mandate of the Board and the position descriptions for the Chair and the CEO); annually receive feedback from each other committee regarding its review of its own charter, and recommend to the Board any changes the Committee considers appropriate;
- review corporate governance trends and best practices, as applicable to the ICD and similar entities and make recommendations to the Board to adopt new governance policies and practices or to amend existing governance policies and practices, as determined by the Committee;
- oversee programs for new director orientation and ongoing director continuing education;
- consider and consult with the Chair of the Board regarding those directors it considers qualified for appointment to each Board committee;

- periodically review and assess the ICD's communication to members and the general public with respect to its policies and practices in the areas of corporate governance, including the communications contained on the ICD website;
- annually consider the adequacy of the insurance and indemnification arrangements for directors and officers of the ICD and for the Chapters;
- periodically examine the size of the Board and recommend to the Board a size that facilitates effective decision making; and
- annually review and report to the Board on the governance framework for the ICD and recommend any governance disclosure.

b) Nomination of Directors

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

- the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, as set out in the Board Matrix;
- diversity considerations, including without limitation, members of designated groups (as defined in the *Employee Equity Act*), gender, age, business experience, functional experience, personal skills, stakeholder perspectives and geographic background; and
- the competencies and skills that the Board considers each existing director to possess and that the Committee considers any new nominee to possess.

c) Human Resources

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

- together with the Chair of the Board, lead the Board's annual performance and compensation review for the CEO;
- ensure that effective succession planning, talent planning and leadership development processes are in place and annually review and make recommendations to the Board regarding the CEO and Chair of the Board succession plans as well as the succession plans for all senior management;
- review programs, policies and practices with respect to the development of ICD's human resources;
- assist the Board in establishing the ICD's compensation philosophy and ensure that it is aligned with the philosophy, strategy and risks of the ICD and its business;

- annually review the design, structure and current year results of all compensation programs to ensure the programs and results are consistent with good governance standards and do not encourage inappropriate risk taking or other inappropriate behavior;
- annually recommend to the Board goals and objectives relevant to the CEO's and other senior management's compensation and evaluate performance in light of these goals and objectives;
- annually review senior management's performance and recommend to the Board the CEO's plan for compensating ICD senior management;
- annually review and recommend to the Board the plan for compensating the CEO, including level of compensation and compensation structure;
- review, as required, the position descriptions for members of senior management;
- review any changes to the organizational structure of ICD's senior management to ensure those changes are aligned with the ICD's strategic direction and strategic plan;
- review and approve any employment related contract entered into by the ICD with the CEO and any other member of senior management;
- monitor compliance of the ICD's Code of Business Conduct and Ethics and report any instances of non-compliance to the Board, subject to legal and confidentiality restrictions;
- oversee the ICD's whistleblower process, in conjunction with the Audit Committee where appropriate, and report to the Board any notifications made thereunder, subject to legal and confidentiality restrictions;
- oversee the ICD's Workplace Discrimination and Harassment Policy, and report any instances of complaints made thereunder to the Board, subject to legal and confidentiality restrictions; and
- review and recommend to the Board for approval ICD's Code of Business Conduct and Ethics, and ICD's Workplace Discrimination and Harassment Policy and all other human resources policies.

5. Access to Advisors

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