

Design and content:

This manual consists of several sections, organized to address major policy issues.

1. The Table of Contents lists the major policy topics, followed by policy statements appropriate to that topic.
2. The Appendix Section (page 114) contains the forms for the declarations that directors must complete from time to time, Director Compensation data, Board Meeting Calendar, and Calendar of month-to-month Board meeting items.
3. The Historical Data Section (page 124) is included to provide appropriate information about your organization; its origin and historical development; a current staff organization chart; and other salient information.
4. Samples of self evaluation forms for the board and individual committees (provided for in the web-based program, **Governance Pro**®, www.governancepro.com specifically designed for organizations like yours) are also contained in this manual for easy reference.
5. Section VIII contains an evaluation form for assessing the effectiveness of planning events; understanding what the organization is attempting to accomplish, and providing feedback for future Strategic Planning events.
6. General Job Descriptions for the Board Chair and Chair's of committees are found at the end of the appropriate Sections of the Manual.
7. Charters for typical Board Committees are provided for in each Committee Section of this Policy Manual, which can be customized to suit the individual circumstances of the organization. As regulatory bodies continue to impose new governance requisites, and considering the asset size and complexity of the organization, the suggested five Board Committees may all be required at this time, or added a future date.

Manual maintenance:

The Corporate Governance Committee of the organization is typically charged with the duty and responsibility for the continuous maintenance and update of this manual.

Table of Contents

Section	Item	Topic	Page
Section I		CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES	
	1.0	Board Mission and Objectives	
	1.1	Board Mission Statement	12
	1.2	Core Values	12
	1.3	Corporate Authority and Responsibility	12
	2.0	General Principles	
	2.1	Expectations from Directors	13
	2.2	Financial Literacy	13
	2.3	Character of members of the Board of Directors	13
	3.0	Board of Directors Composition and Selection: Independent Directors	
	3.1	Board of Directors size	14
	3.2	Selection of Members of the Board of Directors	14
	3.3	Annual meeting of shareholders	14
	3.4	Vacancies / New positions	14
	4.0	Board of Directors Membership Criteria	
	4.1	Skills and experience	15
	4.2	Individual candidate evaluation	15
	4.3	Board members participation record	15
	5.0	Board of Director Composition	
	5.1	Qualifications	16
	5.2	Independence	16
	6.0	Impairment of Independence	17
	7.0	Related Party Transactions	17
	8.0	New Directors and Continuing Education	17
	9.0	Limitations on Service	
	9.1	Significant requirements	18
	9.2	Directorship in other entities	18

9.3	Approval required	19
9.4	Potential conflicts	19
9.5	Annual review process	19
9.6	Affiliated entity	19
9.7	Age limitation	19
9.8	Term limit	20
10.0	Directors with Significant Job Changes	
10.1	Notification required	20
10.2	Review of continuation as Board Member	20
10.3	Replacement on Committees	20
11.0	Removal of Directors	
11.1	Significance of incidents	20
11.2	Notification requirements	21
11.3	Review by Board	21
11.4	Replacement options	21
12.0	Conflicts of Interest	21
13.0	Community Involvement	
13.1	Annual declaration of interest	22
13.2	Events notification	22
13.3	Reporting to Board	22
14.0	Service recognition	
14.1	Retiring director	22
14.2	Other circumstances	22
14.3	Chair	22
14.4	Director Emeritus	22
15.0	Chair of the Board of Directors	
15.1	Election of the Chair	23
15.2	Chair's duties and responsibilities	23
15.3	Removal of Chair	23
15.4	Resources for the Chair of the Board	23
15.5	Compensation of the Chair of the Board	23
15.6	Chair Emeritus	24
16.0	Election of the Executive Committee	
16.1	Election of 1 st and 2 nd Vice Chairs	24
16.2	Duty to Chair	24
16.3	Corporate Secretary and Treasurer	24
16.4	Treasurer duties	24

16.5	Other corporate positions	24
17.0	Board of Directors Meetings: Involvement of Senior Management	
17.1	Board of Directors Meetings – Agenda	25
17.2	Number of Meetings	26
17.3	Strategic Planning Sessions	26
17.4	Advance Distribution of Materials	26
17.5	Access to Management and Independent Advisors	27
17.6	Responsibility of Board of Directors	28
18.0	Executive Sessions of Directors	
18.1	Meetings of Directors	28
19.0	Performance Evaluation; Succession Planning	
19.1	Annual Evaluation of Chief Executive Officer (CEO)	28
19.2	Succession Planning	29
19.3	Evaluation of Board of Directors and Committees	29
20.0	Compensation	
20.1	Compensation Review	30
21.0	Rules of Order	
21.1	Application of Roberts Rules of Order	31
21.2	Parliamentarian	31
22.0	Delegates to related organizations	
22.1	Appointments	32
22.2	Right to rescind appointment	32
22.3	District Director	32
22.4	Compensation	32
22.5	Scheduling meetings	32
22.6	Loss of income	32
22.7	Self-employment rate	32
23.0	Board participation in related organizations	
23.1	Related organizations	32
23.2	Established limit	33
23.3	Expense reimbursement	33
23.4	Spousal travel	33
23.5	Director development conferences	33
23.6	Conference registration limits	33
24.0	Standards of Business Conduct and Ethics	

24.1	Standards of business conduct	33
24.2	Waivers of Standards of business conduct	34
24.3	Certain particular matters	34
24.4	Communicating with the media	35

Section II

BOARD COMMITTEES

25.0	Board Committees	
25.1	Approved Committees and Functions	38
25.2	Standing Committees	38
25.3	Combining/modifying Committee functions	39
25.3	Board members and Committees	39
26.0	Committee Charters	39
27.0	Composition of Committees; Committee Chairs	39
28.0	Board Chair Job Description	40
29.0	Committee Chair Job Description	43

Section III

AUDIT COMMITTEE CHARTER

30.0	Purpose, Objectives and Responsibilities	
30.1	Purpose and Objectives	45
30.2	Specific Responsibilities	45
30.3	Committee Composition	47
30.4	Committee Member Qualifications	47
30.5	Committee Structure and Operations	47
30.6	Authority	48
30.7	Independent Auditors	49
30.8	Oversight Responsibility	49
30.9	Internal Audit Function	50
30.10	Director of Internal Audit	50
30.11	Reviews and Evaluations	51
30.12	Annual Report Review	51
30.13	Funding	52
30.14	Additional Responsibilities	53
30.15	Limitations on Committee's Role and Function	53
30.16	Disclosure of Charter	54
30.17	Limitation on Individual Liability	54
30.18	Committee Chair Job Description	55

	30.19	Audit Committee Performance Evaluation	56
Section IV		CORPORATE GOVERNANCE COMMITTEE CHARTER	62
	31.0	Purpose, Objectives and Responsibilities	
	31.1	Purpose	62
	31.2	Mission Statement	62
	31.3	Duties and Responsibilities	62
	31.4	Skill Sets Matrix	62
	31.5	Corporate Governance process	63
	31.6	Corporate Advisors	65
	31.7	Election process and election results disclosure	66
	31.8	Director Emeritus	67
	31.9	Annual director evaluation	68
	31.10	Disciplining a director	68
	31.11	Compensation	70
	31.12	Disclosure of Charter	71
	31.13	Limitation on Individual Liability	71
	31.14	Job Description CGC Chair	72
	31.15	Corporate Governance Performance Evaluation	73
Section V		COMPENSATION COMMITTEE CHARTER	77
	32.0	Purposes and Objectives and Responsibilities	77
	32.1	Purposes and Objectives	77
	32.2	Specific Responsibilities	77
	32.3	Committee Compensation	79
	32.4	Committee Structure and Operations	79
	32.5	Compensation Policies	80
	32.6	Role of the Chief Executive Officer (CEO)	81
	32.7	Authority	81
	32.8	Reviews and Evaluations	82
	32.9	Additional Responsibilities	82
	32.10	Disclosure of Charter	82
	32.11	Limitations on Individual Liability	83
	32.12	Compensation Committee Chair Job Description	84
	32.13	Compensation Committee Performance Evaluation	85
Section VI		CORPORATE COMPLIANCE AND QUALITY ASSURANCE COMMITTEE CHARTER	89

	33.0	Purposes, Objectives and Responsibilities	
	33.1	Purposes and Objectives	89
	33.2	Objectives and Responsibilities	89
	33.3	Committee Composition	90
	33.4	Committee Structure and Operation	91
	33.5	General Authority	92
	33.6	Chief Compliance Officer	92
	33.7	Quality Assurance Officer	93
	33.8	Reviews and Evaluations	93
	33.9	Disclosure of Charter	93
	33.10	Limitations on Individual Liability	93
	33.11	Committee Chair Job Description	95
	33.12	Committee Performance Evaluation	96
Section VII		FINANCE COMMITTEE CHARTER	100
	34.0	Purpose, Objectives and Responsibilities	
	34.1	Purpose and Objectives	100
	34.2	Committee Composition	101
	34.3	Committee Structure and Operation	101
	34.4	Oversight	102
	34.5	Authority	102
	34.6	Reviews and Evaluations	103
	34.7	Additional Responsibilities	103
	34.8	Disclosure of Charter	103
	34.9	Limitation on Individual Liability	103
	34.10	Finance Committee Chair Job Description	104
	34.11	Finance Committee Performance Evaluation	105
Section VIII		CORPORATE STRATEGIC PLANNING	110
	35.0	Introduction to planning	110
	35.1	Evaluating the planning process	111
Section VIII		APPENDIX	114
	36.0	Forms	115
	36.1	Pledge of Confidentiality	115
	36.2	Related Party Certificate	116

36.3	Director Remuneration Schedule	120
36.4	Calendar of Board Meeting agenda items	122

Section X	HISTORICAL DATA	124
------------------	------------------------	------------

	Current Management Organization Chart	125
	Other topics	126