

# Naval Reserve Association of Canada

## Board Policy Manual

### Preamble

This Policy manual is for **Board policies only** and the Policies contained herein are subject to the Association By-Laws. In the event of conflict between any of the policies and the By-Law, the By-Law provision(s) shall apply. This was approved by the board at its meeting on March 14, 2023.

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# A. Governance Policy Framework

## 1. Principles Of Governance And Board Accountability

- (i) The Naval Reserve Association of Canada (Association) is a body corporate and politic incorporated under the laws of Canada Not-for-profit Corporations Act, SC 209 chapter 23 and regulations, to serve active and retired members of the Canadian Naval Reserve.
- (ii) The Board of Directors (Board) governs and manages the Association in accordance with governing legislation, By-Laws, and governance policies.
- (iii) The Board adheres to a model of good governance through which it provides strategic leadership and direction by establishing policies, strategic goals, making governance decisions and monitoring performance.
- (iv) The Board acts at all times in the best interests of Association, having regard for its fiduciary responsibilities and its accountabilities to the membership.
- (v) The Board maintains an environment based on values as approved by the Board and strives for a consensual approach to decision making, based on evidence and best practice, while respecting and valuing dissenting views.
- (vi) The Board is accountable to its members for:
  - Ongoing connection with the membership on all matters to enhance connections. between the Association and its members and among its members.
  - Developing and executing events that advance the interests of the membership.
  - Communicating with regard to the on-going activities of Association through its website, publications and through social media including Facebook.
  - Operating and updating the NavalReserveAssociationofCanada.ca Website.
  - Maintaining a strong focus on continuous improvement with regard to the present and future of the Association.
  - Maintaining and enhancing external relationships with related organizations.

- (vii) Board meetings will be conducted in English. Official materials from the Board will be produced in English. If the Board has to respond to public enquiries made in French, the Board's answer shall be submitted in French. Over time, communications from the Board shall strive to reflect both official languages of Canada.

## **2. Roles And Responsibilities Of The Board**

The Board shall fulfill the following roles and responsibilities.

### **a) Roles of the Board**

#### ***(1) Policy Formulation***

Establish policies to provide guidance to those empowered with the responsibility to lead and manage Association operations.

#### ***(2) Decision-Making***

On matters that specifically require Board approval, choose from alternatives that are consistent with Board policies and that advance the Association goals.

#### ***(3) Monitoring***

Monitor and assess outcomes of approved projects.

### **b) Responsibilities of the Board:**

The Board fulfills the following responsibilities, either directly, or through delegation to its Board Committees, which report to and are accountable to the Board.

#### ***(1) Strategic Direction***

- (i) Establish and periodically review the Association's mission, vision and core values.
- (ii) Promote effective collaboration between the Board and membership of the Association in the achievement of the Association vision, mission and core values and/or other policy and planning initiatives.
- (iii) Monitor corporate performance regularly against the approved corporate plan and annual budget.

## **(2) Excellent Leadership and Management Performance**

- (i) Delegate responsibility, authority to individuals assigned to carry out various tasks assigned by the Board.
- (ii) Hold accountable officers, committees and those Directors assigned projects by the Board.
- (iii) Ensure compliance with the By-Laws of the Association and the responsibilities under the Canada Not-for-profit Corporations Act and regulations.
- (iv) Provide for the orderly succession of the Chair/President, corporate officers and committee chairs.

## **(3) Financial and Organizational Viability**

- (i) Review and approve the annual operating budget and monitor financial performance against the budget and any established performance indicators.
- (ii) Review financial and organizational risks and risk mitigation plans regularly.
- (iii) Approve an investment policy and monitor compliance.
- (iv) Review periodically financial reports and approve the annual financial statement.
- (v) Annually review and set membership fees.

## **(4) Program Quality and Effectiveness**

- (i) Review appointments and reappointments of all leadership positions
- (ii) Ensure that there is a process to address ethical issues arising within the Association.

## **(5) Board Effectiveness**

- (i) Ensure regular communication within the Board and ensure Committee and project chairs report regularly to the board.
- (ii) Recruit Directors and, where appropriate, non-Director members of Board Committees who are, skilled, experienced, and committed to the Association.



- (iii) Establish a plan for the succession of Directors and Officers.
- (iv) Establish goals and planning for the Board and its committees and ensure that the Board receives timely appropriate information to ensure informed policy formulation and decision making.
- (v) Periodically review policies concerning governance structures and processes to maximize the effective functioning of the Board.

#### **(6) Build Relationships**

- (i) Build and maintain good relationships and communications with the Royal Canadian Navy (RCN), the Naval Reserve Command team, Naval Reserve Divisions (NRDs), the Naval Association of Canada (NAC), the Royal Canadian Navy (RCN) and other related organizations that are relevant to the membership of the Association.
- (ii) Maintain open and transparent communication, cooperation with the Association members and where appropriate, the broader public.

### **3. Roles And Responsibilities Of Individual Directors**

#### **a) Fiduciary Duty and Duty of Care**

- (i) Every Director, in exercising his or her powers and discharging his or her duties to the Association shall act honestly and in good faith with a view to the best interests of the Association and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (ii) Every Director shall comply with the Canada Not-for-profit Corporations Act and the Association By-Laws.
- (iii) In instances where the interests of Directors conflict with those of the Association, Directors must act in the best interests of the Association, commensurate with their duties as a responsible corporate Director.
- (iv) Directors with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the Board.
- (v) A Director does not represent the specific interests of any constituency or group.

## **b) Exercise of Authority**

A Director carries out the powers of office only when acting as a voting member during a duly constituted meeting of the Board or one of its appointed bodies. A Director respects the responsibilities delegated by the Board to individual members.

## **c) Confidentiality**

Every Director shall respect the confidentiality of matters brought before the Board and all committees, keeping in mind that unauthorized statements could adversely affect the interests of the Association.

## **d) Conflict of Interest**

A Director complies with the Association's Board of Directors Conflict of Interest policies and the Declaration of Interest as prescribed in Board Policies A-1-4 and A-1-6.

## **e) Teamwork**

A Director works positively, cooperatively, congenially, and respectfully with all members of the Board of Directors in the performance of his/her duties.

## **f) Policy Solidarity**

The official spokesperson for the Board is the Chair. A Director supports the decisions and policies of the Board in discussions with outsiders, even if the Director holds another view or voiced another view during a Board discussion or was absent from the Board meeting. A Director refers requests for statements on behalf of the Board to the Board Chair.

## **g) Representation**

A Director is expected to represent the Board, when requested, in activities within the Association and in external activities with other organizations.

## **h) Formal Dissent**

A Director is deemed to have agreed with the decisions and policies of the Board, whether they are present at or absent from a Board meeting, unless he/she formally records a dissenting view with the Board Secretary. While an absent Director may formally record a dissenting view prior to the approval of the minutes at the next meeting, this does not change the decision reached by the Board.

### **i) Attendance**

A Director is generally expected to attend all Board meetings including Board retreats and assigned Standing or Ad Hoc committee meetings in person or by electronic means. All Directors are expected to serve on at least one Board Standing Committee and to represent the Board when requested.

### **j) Time Commitment**

A Director is expected to commit adequate time in preparation for and attendance at Board meetings, assigned Committee meetings and events.

### **k) Participation**

A Director comes prepared to meetings (of both Board and its Committees) and events, asks informed questions, and makes a constructive contribution to discussions.

### **l) Competencies**

A Director actively contributes specific expertise and skills which will inform Board discussion and decisions. However, individual Directors, unless otherwise authorized by the Board do not provide professional advice to the Board.

### **m) Professional Development**

A Director takes advantage of opportunities to be educated and informed about the Board and key issues related to the Association through participation in initial orientation and ongoing Board activity.

### **n) Evaluation**

A Director participates in the evaluation of the performance of the Board as a whole and of their performance as a Director.

## **4. Director's Declaration**

# NAVAL RESERVE ASSOCIATION OF CANADA

A Board Director will execute a Director's Declaration in the following form immediately upon becoming a Board Director:

To: Naval Reserve Association of Canada

I hereby consent to act as a Director of the Association.

As a Director I acknowledge and accept that:

- The Board of Directors as a whole is accountable in accordance with the Principles of Governance and Accountability (A-1).
- I agree to comply with the Association By-Laws and Board policies as those may be amended from time to time.
- I will comply with the performance expectations as stated in the appended documents "Roles and Responsibilities of the Board of Directors" (A-2) and the "Roles and Responsibilities of Individual Directors" (A-3).
- I do not have a conflict of interest which would prevent me from serving as a member of the Board and I also undertake to advise the Secretary should any conflict arise pursuant to Conflict of Interest provisions in By-Law #1.
- I hereby consent pursuant to the provisions of By-Law # 1 in accordance with S 4.05 to the holding of meetings of the Board of Directors or of any Committee of the Board of Directors by means of such telephone, electronic or other communication facilities so as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
- I confirm that I am able and have the means to attend meetings promptly.
- I undertake to advise the Association in writing of any change of address as soon as possible after such change.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

## 5. Guidelines For The Selection Of Directors

### a) Directors

#### ***(1) Overarching Principle:***

The Board and its Committees should have members that collectively possess a range of specific skills and expertise needed for the Board to fulfill its governance roles and responsibilities and possess the time necessary to fulfill their responsibilities to the Association.

#### ***(2) Profile of a Director***

The generic qualities and personal attributes expected of all Directors include:

- (i) commitment to the mission of the Association.
- (ii) served in the Naval Reserve.
- (iii) an appreciation of the diverse needs of the communities served by the Association.
- (iv) experience in and understanding of governance including the roles and responsibilities of the Board and individual Directors.
- (v) enthusiasm for the role and its demands.
- (vi) personal and professional integrity, wisdom, and judgment.
- (vii) ability to work positively, cooperatively, and respectfully and communicate effectively as a member of the team with other members of the Board.
- (viii) ability to provide wise counsel and ask relevant questions at a strategic level.
- (ix) ability and willingness to commit the necessary time to prepare for and participate in Board orientation and continuing education, Board meetings, committee meetings, retreats, and selected educational and promotional events.
- (x) commitment to comply with the conflict-of-interest policies.
- (xi) ability and willingness to represent the Association as required and be an ambassador.

## **b) Board Profile**

Beyond the generic qualities and personal attributes expected of all Directors as outlined in the Profile of a Director, the members of the Board will collectively strive to possess a range of specific skills, expertise, and experience from among the following:

### **(1) Senior level business management.**

### **(2) Strategic planning.**

- (i) leadership.
- (ii) diversity.
- (iii) change management in complex organizations.
- (iv) financial expertise, literacy, and analysis.
- (v) governance.
- (vi) human resource management.
- (vii) law.
- (viii) marketing and communications.
- (ix) risk management

## **6. Board Size And Composition**

### **a) Board Size**

- (i) The Composition of the Board of Directors shall consist of a minimum of 3 Directors and a maximum of 20.
- (ii) Directors are elected at the third annual meeting of the Association from their initial election. Directors shall be elected on a staggered basis commencing in May 2023.

*Note: Putting together the new Board in May 2023 will be challenging and the proposal below is intended to project the outcome of a mature process. As we are in a recommissioning process and have recently expanded the reach of our membership, it may not be possible or desirable to stretch to achieve the objectives listed below and they should be seen as guidelines for the 2023 Governance and Nominating Committee process.*

(iii) The Board should consist of a maximum 20 members with appropriate coverage from the following regions:

- BC and the Yukon
- Alberta
- Saskatchewan and the NWT
- Manitoba and Nunavut
- Ontario
- Quebec
- The Maritimes
- Newfoundland and Labrador

(iv) While regional coverage is important at this stage in the Association's recommissioning, it's of primary importance that Board membership reflects competence, diversity and a willingness to perform.

## **7. Board Standing And Ad Hoc Committees**

Association By-Law # 1 (section 6.05) provides for Board committees. This Policy is intended to supplement the By-Law provisions.

### **a) Establishment of Committees**

The Board may establish committees from time to time. The Board shall determine the duties of such committees. The committees of the Board shall be:

- (i) Standing committees, being those committees whose duties are normally continuous; and
- (ii) Ad hoc committees, being those committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned.

### **b) Standing Committees**

The following **Standing Committees** shall include:

- (1) Executive Committee.***
- (2) Finance Committee.***
- (3) Governance and Nominating Committee.***
- (4) Membership Committee.***
- (5) Communications Committee.***
- (6) Archives Committee.***

### **c) Board Standing Committee Principles**

The functions, duties, responsibilities, and powers of committees shall be provided in the resolution of the Board by which such committee is established or in terms of reference adopted by the Board. For greater certainty, the Board may delegate any of its powers to a committee comprised entirely of Directors.

#### ***(1) Relationship between the Board and Board Committees***

- (i) The Board will determine the duties of each committee. The Board will approve terms of reference and membership of the Board committees annually on the recommendation of the Governance and Nominating Committee at the first regular meeting following the annual meeting.
- (ii) The Board will monitor the performance of its Board committees at each regular Board meeting through a summary written report and a verbal report by the committee chair related to specific recommendations of the Board committee for approval by the Board.
- (iii) The terms of reference for Board committees will be reviewed annually by the respective committee, which will make recommendations to the Governance and Nominating Committee for revisions as appropriate.
- (iv) Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
- (v) Unless otherwise specified, Board committees may not commit or bind the Association to any course of action and no decision of a committee is binding on the Board until approved or ratified by the Board.
- (vi) Unless otherwise authorized to do so, a Board committee may not engage independent legal counsel or consulting advice without prior Board approval.



### **(3) Mandate of Board Standing Committees**

- (i) The number and type of committees should support the Board in fulfilling its defined responsibilities and maximizing the participation of individual Directors.
- (ii) Ensure the Board as a whole has “ownership” of the work that is done on its behalf by committees, task groups, etc.
- (iii) Association By-Law #1 Section 6.05 provides for the establishment of Board Committees; The terms of reference for Board Standing Committees including membership are defined in the Board Policy Manual.
- (iv) Board Standing Committees should establish annual goals, work plans and deliverables for Board approval.
- (v) Standing Committees may, with the approval of the Board, create sub-committees that are responsible to and report to the Standing Committee.
- (vi) The Board, through the Governance and Nominating Committee should conduct a periodic review of Board Standing and Special Committees to ensure the continuing relevance of their mandate and membership.

### **(4) Membership**

- (i) The responsibility for participation on Board Standing Committees and other committees should be balanced among all Directors.
- (ii) All Directors should be expected to serve on at least one Board Standing or Ad Hoc or other special Committee.
- (iii) The majority of the members of the Executive Committee and the Governance and Nominating Committee shall be members of the Board of Directors. Otherwise, and except for the Executive Committee, membership does not have to be limited to members of the Board of Directors.
- (iv) The Chair, Vice-Chairs and members of Board Standing Committees are appointed annually by the Board on the recommendation of the Governance and Nominating Committee, following a canvass of Directors for their interests and preferences.

- (v) All members of Board Standing Committees will be considered voting members of the committee, unless otherwise designated.

## **8. Position Description For Board Chair**

This Policy is intended to supplement By-Law # 1 (Section 9) related to the Board Chair.

### **a) Role Statement**

- (i) The Board Chair shall be the President of the Association.
- (ii) The Board Chair, working collaboratively with the Board, provides leadership to the Board, ensures the integrity of the Board's process, and represents the Board to outside parties.
- (iii) The Board Chair co-ordinates the activities of the Board in fulfilling its governance responsibilities and facilitates co-operative relationships among Board members.
- (iv) The Board Chair ensures that all matters relating to the Board's mandate are brought to the attention of, and discussed by, the Board.
- (v) The Board Chair shall assume the duties and serve as the President of the Association in accordance with S7.02a of the By-Law #1.

### **b) Responsibilities**

In accordance with By-Law # 1 (Section 9.2), the responsibilities of the Board Chair are:

- (i) *Chair*: Preside at meetings of the Board of Directors and the AGM.
- (ii) *Agendas*: Establish agendas that are aligned with the Board's roles and responsibilities and preside over meetings of the Board. Ensure that meetings are effective and efficient. Ensure that a schedule of Board meetings is prepared annually.
- (iii) *Direction*: Serve as the Board's central point of official communication with the Board. Develop the standards and format for reporting by Board Committees which will ensure that the Board has appropriate information to make informed decisions.
- (iv) *Performance Appraisal*: Lead the Board in monitoring and evaluating the performance of the Board.

- (v) Committee membership: Serve as an ex-officio member of all Board Standing Committees.
- (vi) Representation: Ensure that the Board is appropriately represented at organizational functions, other official functions and to the public at-large.
- (vii) Communication: Serve as spokesperson for the Board and may from time-to-time delegate authority to one or more Directors or Committees to make statements to the news media or public about matters that the Chair determines appropriate for disclosure to the media.
- (viii) Reporting: Report regularly and promptly to the Board regarding issues that are relevant to its governance responsibilities.
- (ix) Board Conduct: Set a high standard for Board conduct and enforce policies and By-Laws regarding Board member conduct.
- (x) Mentorship: Serve as a mentor to other Board members. Ensure that all members of the Board contribute fully. Address issues associated with underperformance of individual Directors.
- (xi) Succession Planning: Ensure succession planning occurs for the Board of Directors.
- (xii) *Other Matters*: Such other matters as the Board may from time to time determine.

### **c) Skills, Attributes and Experience**

The Chair will demonstrate the following skills, attributes and experience:

- (i) all of the personal attributes required of a Board Director (Board Policy A-5).
- (ii) leadership skills.
- (iii) strategic and facilitation skills.
- (iv) ability to effectively influence and build consensus within the Board.
- (v) ability to establish a trusted advisor relationship with Board members.
- (vi) ability to make the necessary time commitment and required flexibility in work schedule to meet the requirements of this leadership role.
- (vii) ability to communicate effectively with the Board, members and the wider community.

- (viii) record of achievement in one or several areas of skills and expertise required within the Board.

#### **d) Term**

The Chair shall be elected by the Board of Directors on the recommendation of the Governance and Nominations Committee for a term with of up to three years with the option to renew for additional terms.

### **9. Position Description For The Board Vice Chairs**

This Policy is intended to supplement the By-Law #1 related to the Vice-Presidents.

#### **a) Role Statement**

- (i) The Board Vice Presidents shall be the 1<sup>st</sup> and 2<sup>nd</sup> Vice Presidents of the Association.
- (ii) The Vice Chairs shall be appointed by the Board of Directors and report to the Board of Directors.
- (iii) The Board Vice Chairs work collaboratively with the Board Chair in fulfilling their responsibilities.
- (iv) The 1st Vice-Chair, who shall also serve as 1st Vice-President shall have all the powers and perform all the duties of the Chair in the absence or disability of the Chair and perform any other duties assigned by the Chair or the Board.
- (v) The 2nd Vice Chair, who shall also serve as the 2nd Vice-President shall have all the powers and perform all the duties of the Chair in the absence or disability of the Chair or the 1st Vice-Chair and perform any other duties assigned by the Chair or the Board.

#### **b) Responsibilities**

In accordance with By-Law # 1, the responsibilities of the Vice-Chairs are:

- (i) Board Chair Substitute: Assume the duties of the Board Chair in the Chair's absence or disability, as requested by the Chair, including representing the Board and the organization at official functions and to the public at-large.
- (ii) Board Conduct: Maintain a high standard for Board conduct and uphold policies and By-Laws regarding Board member conduct.

- (iii) Committee membership: Serve as the Chair of a Committee and as a member of other Board Committees as determined annually.
- (iv) Mentorship: Serve as a mentor to other Board members.

### **c) Skills, Attributes and Experience**

The Vice-Chairs will demonstrate the following skills, attributes and experience:

- (i) all of the personal attributes required of a Board Director; (Board Policy A-5).
- (ii) leadership skills.
- (iii) strategic and facilitation skills.
- (iv) ability to effectively influence and build consensus within the Board.
- (v) ability to establish trusted advisor relationship with the Chair, and other Board members.
- (vi) ability to make the necessary time commitment and required flexibility in work schedule to meet the requirements of this leadership role.
- (vii) ability to communicate effectively with the Board, parents and alumni and the wider community.
- (viii) record of achievement in one or several areas of skills and expertise required within the Board.

### **d) Term**

The Vice-Chairs will be elected by the Board of Directors on the recommendation of the Governance and Nominations Committee for a term of up to three years with the option to renew for additional terms.

## **10. Position Description Of The Treasurer**

This Policy is intended to supplement the By-Law # 1 related to the Treasurer.

### **a) Role Statement**

The Treasurer is a Director and works collaboratively with the Board Chair. The Treasurer will be appointed by the Board of Directors and reports to the Board of Directors.

## **b) Responsibilities**

In accordance with By-Law # 1, the responsibilities of the Treasurer are:

- (i) **Reporting Requirements:** Keep up to date all financial reporting requirements.
- (ii) **Auditor:** Annually recommend the appointment of an Auditor.
- (iii) **Mentorship:** Serve as a mentor to other Directors.
- (iv) **Committee Membership:** The Treasurer will serve as Chair of the Finance Committee.
- (v) **Finance Committee:** Establish agendas preside over meetings of the Committee and fulfill the other responsibilities of a Committee Chair as per the Position Description of a Committee Chair.
- (vi) **Financial Statements:** Present to the Board of Directors at every Board meeting and to the membership at the annual general meeting, the standard financial statements of the Association.

## **c) Skills, attributes and experience**

The Treasurer will demonstrate the following personal qualities, skills and experience:

- (i) All of the personal attributes required of a Board Director; (Association Board Policy A-5).
- (ii) Leadership Experience in finance and/or accountancy
- (iii) Ability to chair a meeting such that decisions are made in a manner that is respectful and efficient.
- (iv) Willingness and ability to commit time to the Board and committee responsibilities of Treasurer.
- (v) Work cooperatively with the Auditor appointed by the Board to undertake the annual audit.

## **d) Term**

The Treasurer will be elected by the Board of Directors on the recommendation of the Governance and Nominations Committee for term of up to three years with the option to renew for additional terms.

## **11. Position Description Of The Secretary**

This Policy is intended to supplement the By-Law # 1 related to the Board Secretary.

### **a) Role Statement**

The Secretary works collaboratively with the Board Chair and corporate legal counsel. The Secretary will be appointed by the Board of Directors and reports to the Board of Directors.

### **b) Responsibilities**

In accordance with By-Law # 1

- (i) The Secretary shall carry out the duties of the secretary of the Association generally and shall attend or cause a recording secretary to attend all meetings of the members, Board, and committees to act as a clerk thereof and to record all votes and minutes of all proceedings in the books to be kept for that purpose.
- (ii) The Secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors and shall perform such other duties as may be prescribed by the By-Laws or the Board.

### **c) Skills, attributes and experience**

The Secretary will demonstrate the following personal qualities, skills and experience:

- (i) the personal attributes required of a Board Director; (Board Policy A-5)
- (ii) Leadership skills.
- (iii) Ability to chair a meeting such that decisions are made in a manner that is respectful and efficient.
- (iv) Willingness and ability to commit time to the Board and committee responsibilities of Secretary.

### **d) Term**

The Treasurer will be elected by the Board of Directors on the recommendation of the Governance and Nominations Committee for term of up to three years with the option to renew for additional terms.

## **12. Position Description For A Committee Chair**

### **a) Role Statement**

A Committee Chair, working collaboratively with the Chair of the Board provides leadership to the committee. The Committee Chair ensures that the terms of reference

of the committee are followed. The Committee Chair effectively manages issues to promote effective dialogue and decision making.

## **b) Responsibilities**

- (i) **Agendas and Meetings.** Establish agendas and preside over meetings of the committee.
- (ii) **Leadership.** Effectively lead each committee meeting in a manner that encourages thoughtful participation and promotes understanding of all issues. Ensure a fair discussion, especially when differences and conflicting opinions arise.
- (iii) **Expertise.** Serve as a leader within the Board on the matters addressed in the committee's terms of reference.
- (iv) **Advise Board Chair.** Advise the Board Chair on the key issues addressed by the committee.
- (v) **Report to the Board.** Prepare a report for the Board and where appropriate recommendations for consideration by the Board of Directors at each Board meeting.
- (vi) **Mentorship.** Serve as a mentor to committee members and develop a succession plan for the Chair.

## **c) Skills, Attributes and Experience**

A Committee Chair will demonstrate the following personal qualities, skills and experience:

- (i) Be a member of the Board of Directors.
- (ii) All of the personal attributes required of a Director; (Board Policy A-5).
- (iii) Interest and experience related to the work of the committee.
- (iv) Ability to chair a meeting such that decisions are made in a manner that is respectful and efficient.
- (v) Willingness and ability to commit time to the responsibilities of the Committee Chair.



## **d) Term**

Except for the Chair of the Association, who shall be the Board Chair and Chair of the Executive Committee, Committee Chairs shall normally be appointed annually by the Board of Directors on the recommendation of the Governance and Nominating Committee.

## **13. Executive Committee Terms Of Reference**

### **a) Role**

- (i) The Association Executive Committee supports the Board in fulfilling its responsibilities for oversight of excellent leadership and management and organizational viability through:
- (ii) The provision of guidance and direction of major issues between Board meetings, where appropriate and shall report all actions to the board for approval.
- (iii) The exercise of the full powers of the Board in all matters of urgency, when a special Board meeting is not practical, reporting every action at the next Board meeting.
- (iv) Receive and review from the other Board Standing Committees and senior management any material risks identified while fulfilling their responsibilities.
- (v) Perform such other tasks that may be assigned or directed to the Committee by the Board or as outlined in the By-Laws or requested by the Board.
- (vi) Have the ability to appoint any sub-committee to carry out any responsibilities assigned to the Executive Committee. The sub-committees will report to the Executive Committee.

### **b) Membership**

The Executive Committee membership shall be as follows:

- (i) The Chair of the Board who shall serve as chair.
- (ii) The First Vice-Chair.
- (iii) The Second Vice-Chair.
- (iv) The Treasurer
- (v) The Chair of Governance And Nominating Committee.

(vi) The Secretary

The Committee may from time to time invite individuals to attend meetings to provide advice and assistance.

### **c) Accountability And Reporting Relationship**

The Executive Committee is accountable to and reports to the Board.

### **d) Quorum**

At least three Directors shall constitute a quorum.

### **e) Meeting Schedule**

The Committee will meet a minimum of three times per year between January and December and at the call of the Chair.

## **14. Governance/Nominating Committee Terms Of Reference**

### **a) Role**

The Governance and Nominating Committee supports the Board in fulfilling its responsibilities to ensure Board effectiveness through periodic review of the governance structure, the functioning of the Board and the various committees. In addition, the Governance and Nominating Committee shall identify and recommend individuals for Board membership in accordance with A-5 the Guidelines for the Selection of Directors.

### **b) Committee Responsibilities**

The Committee shall:

- (i) Monitor activities related to board governance for compliance with the relevant legislation and regulations and By-Laws.
- (ii) Recommend a transparent nominations process for Board and Committee membership in accordance with the Guidelines for Selection of Directors.
- (iii) Ensure that Board succession plans are being addressed at the Board, Committee and officer levels.
- (iv) Manage the annual Nominations process for the selection of Directors, Officers and Committee Chairs.
- (v) Support a governance culture of collaboration, respect, openness, learning, trust and accountability.

- (vi) Recommend governance improvements to the Board.
- (vii) Review annually and recommend improvements to the roles, mandates and governance performance of the Board and the Board committees, including the objectives, measures and targets achieved and results of various meeting evaluations.
- (viii) Develop and maintain a matrix that provides an overview of the profile of skills, expertise and performance of all Directors and identify the specific skills and expertise required to fill the annual slate.
- (ix) Review Board policies on an annual basis in the context of advancing 'good governance'.
- (x) Submit an annual report to the Board summarizing the Governance And Nominating Committee's activities during the year.
- (xi) Advise on any other matters that may be assigned or directed to the Committee by the Board.

### **c) Membership**

The Governance and Nominating Committee shall consist of the following:

- (i) At least three elected Directors, one of whom shall serve as Chair and one of whom shall serve as Vice-Chair, all of whom should have some background in private or public governance issues which might include a legal or accounting background or position on a board of directors.
- (ii) One or more Directors or non-Directors as recommended by the Governance and Nominating Committee, may be added to the committee provided the committee shall maintain a majority of Directors.
- (iii) The Chair of the Association is an ex-officio member.

### **d) Accountability And Reporting Relationship**

The Governance and Nominating Committee is accountable to and reports to the Board.

### **e) Quorum**

A quorum shall consist of a majority of the members of the Committee.

### **f) Meeting Schedule**

The Governance and Nominating Committee shall meet a minimum of 3 times during the calendar year, at the call of the Chair.

## 15. Finance Committee Terms Of Reference

### a) Role

Finance Committee provides support to the Board by recommending fiscal resource policies and the allocation of the Association's resources, providing oversight of the financial performance and for reviewing and advising the Board of the financial status and the financial risks to which the Association is exposed.

### b) Committee Responsibilities

- (i) Review and recommend to the Board annually for approval, the budget assumptions and strategies.
- (ii) Recommend the appointment of Auditors for the Association.
- (iii) Review interim financial performance and position on a timely basis and report to the Board accordingly.
- (iv) Review and approve the Association's financial policies as appropriate and recommend approval to the Board. Review Board policies on an annual basis, including but not restricted to:
  - o Financial Statements
  - o Financial Instruments Policy
  - o Fraud Policy
  - o Banking and Credit Card Policy

*Note: We currently do not have the above policies*

- (v) Review the Operations Budget
- (vi) Manage and provide updates on Investment performance.
- (vii) Review and provide an annual report on the types, amounts and premiums for Directors & Officers Liability insurance.
- (viii) Review and report regularly to the Board on financial matters and as requested.
- (ix) May appoint any sub-committee to carry out any responsibilities assigned to the Committee. The sub-committees will report to the Finance Committee.
- (x) Advise the Executive Committee of any material risks arising from the Committee's responsibilities.

- (xi) Advise on any other matters that may be assigned or directed to the Committee by the Board.

### **c) Additional Responsibilities**

Perform an annual review of Committee performance and submit an Annual Report to the Board.

### **d) Membership and Voting**

The Committee shall consist of:

- (i) the Treasurer of the Board, who shall serve as Chair.
- (ii) at least three other Directors, one of whom shall serve as Vice-Chair and preferably, one of whom shall have corporate or professional financial experience.
- (iii) One or more Directors or non-Directors with financial experience, as recommended by the Governance and Nominating Committee, may be added to the committee provided the committee shall maintain a majority of Directors.

### **e) Accountability and Reporting Relationship**

The Finance Committee is accountable to and reports to the Board.

### **f) Quorum**

At least three members shall constitute a quorum, provided that the majority of these members are elected Directors

### **g) Meeting Schedule**

The Finance Committee shall meet at least three times per calendar year at the call of the Chair.

## **16. Code Of Ethics**

### **a) Conduct of the Board of Directors and Officers**

The Board shall manage or supervise the management of the business and affairs of the Association. In doing so, a Director or Officer shall act honestly and in good faith with a view to the best interests of the Association and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## **b) PART A – Business Conflicts**

Each Director or officer shall at all times comply with the provisions of The Canada Not - for-profit Corporations Act and By-Law # 1 regarding conflict of interest with respect to any contract or transaction, whether made or proposed, to the Association if the Director or Officer:

- is a party to the contract or transaction;
- is a Director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- has a material interest in a party to the contract or transaction.

## **c) PART B – Relationship Bias**

Each Director or officer shall annually disclose to the Board any relationship that he or she may have with the Association that could reasonably give rise to a perception of bias. Such relationships would include, without limitation, an employee of any governmental body or agency or any other relationship or circumstance that could reasonably give rise to a perception of bias as from time to time determined by the Board.

## **d) Disclosure Procedure**

- (i) The disclosure of a relationship bias by a Director or Officer shall not prevent such person from participating in the discussion and vote on any matter.
- (ii) Any disclosure of relationship bias shall be made in writing at the time of appointment as a Director or officer and shall thereafter be updated on an annual basis at the time of the first regular meeting of the Board that occurs after the annual general meeting. The disclosure shall be in accordance with Form A Disclosure of Conflict of Interest, attached.
- (iii) The Chair shall annually circulate to the Board a summary of all relationship biases disclosed by the Directors and officers.

## **e) Disclosure of Conflict of Interest**

**– Form A -Directors and Officers**

I confirm, as of the date below I have

- A. \_\_\_\_\_ No outside involvements with other organizations which might give rise or be perceived to give rise to a potential conflict of interest.
  
- B. \_\_\_\_\_ Involvement with the following organization(s) which might give rise to or be perceived to give rise to a possible conflict of interest. Please describe the possible conflict below:

Organization	Nature of Involvement (Owner, Investor, Director/Officer, Executive/employee, consultant/advisor, partner or family member has involvement)
1) -----	-----
2) -----	-----
3) -----	-----
4) -----	-----
5) -----	-----
6) -----	-----

- C. \_\_\_\_\_ A potential conflict of interest not described above. Describe nature of potential conflict of interest.

\_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

## **B. Governance Processes**

### **1. Nominations For Board Directors**

The nominations process sets out a systematic, transparent, accountable and fair process by which the Board, with the advice and assistance of the Governance and Nominating Committee, will recommend a slate of candidates to the membership of the Association at the Annual General Meeting.

Each year, prior to the Annual General meeting of the membership, the Governance and Nominating Committee will:

- (i) Canvas the Board of Directors of the Association to determine the interest of individual board members in standing for election at the next Annual General Meeting and obtain expressions of interest in being considered for the positions of Chair, 1<sup>st</sup> and 2<sup>nd</sup> Vice-Chairs, Treasurer, Secretary, or Committee Chair.
- (ii) Determine the number of vacancies for the position of Director at the time of the Annual General meeting.
- (iii) Using the Guidelines for the Selection of Directors and utilizing the Governance and Nominating Committee Matrix with an overview of the profile of skills and expertise of incumbent Directors, identify the specific skills and expertise that will be required to fill the vacancies. Where an incumbent Director is seeking re-election, in addition to the foregoing criteria, the Governance and Nominating Committee will take into consideration that individual's performance as a Director and the contribution that he/she has made to the Association.
- (iv) Provide notification of vacancies on the Board and the list of incumbent Directors seeking re-election to the members of the Board.
- (v) The Governance and Nominating Committee shall invite formal applications by interested individuals on a standard application, which will be submitted to the Secretary. The Governance and Nominating Committee shall evaluate the candidates against the criteria set out in the Guidelines for the Selection of Directors. Applicants who do not meet the guidelines will be advised of their ineligibility to serve as a Director.
- (vi) Any member of the Governance and Nominating Committee who is seeking the role of Chair of the Association shall not participate in the Nomination process.



- (vii) The Governance and Nominating Committee Shall develop a short-list of candidates for the available positions and may where appropriate Interview the candidates.
- (viii) Recommend to the Board, a slate of candidates for Director. Subject to the Board's approval, the slate will be recommended to the members for election at the Annual General Meeting.

## **2. Nominations Process For Board Officers**

- (i) The selection process for Board officers will be a systematic, transparent, accountable and fair process.
- (ii) The Governance and Nominating Committee is responsible for ongoing succession planning for leadership on the Board and the recommendation of a slate of officers including the Chair, 1<sup>st</sup> and 2<sup>nd</sup> Vice-Chair, Treasurer and Secretary.

### **a) Selection Process:**

The following process will be undertaken by The Governance and Nominating Committee:

- (i) The Governance and Nominating Committee will assess potential candidates, having regard for the position description and qualifications for the officers and committee chairs. shall prepare a slate of officers.
- (ii) In the event there is no competition for Board Chair, the Governance and Nominating Committee and committee chairs for approval of the board at the first board meeting following the election of Directors.
- (iii) In the event there is competition for the position of Board Chair, the Governance and Nominating Committee shall provide a list of the candidates to the Board for a vote by secret ballot at the first Board meeting following each Annual General Meeting.
- (iv) If there is a competition for Board Chair, the Governance and Nominating Committee shall on the completion of the Chair selection process, complete and present a slate of officers and Committee Chairs for consideration and approval of the Board as soon as practicable.

### **3. Board Goals And Work Plan**

- (i) On an annual basis, the Board of Directors will establish goals for the Board consistent with the Strategic Plan which are a priority for the Board in the coming year. The Board goals will be reflected in the directions for the Board Standing and Ad Hoc Committees and the Board work plan. The Board will review its progress toward the achievement of the annual Board goals on a quarterly basis.
- (ii) Following the Annual meeting the Standing Committees provide to the Board their proposed goals and work plan for consideration at the first board meeting following the AGM.
- (iii) The Board will also establish an annual work plan for the Board which addresses the following key areas of Board Roles and Responsibilities:
  - Establish Strategic Direction
  - Provide for Excellent Leadership and Management
  - Monitor Quality and Effectiveness
  - Ensure Financial and Organizational Viability
  - Ensure Board Effectiveness
  - Build and Maintain Positive Relationships
- (iv) The Board will evaluate its success in the achievement of its work plan at the first meeting of the Board of Directors following the Annual General Meeting.

### **4. Resignation / Removal Of A Director**

#### **a) Resignation of a Director**

A Director may resign his/her office by delivering a written resignation to the Secretary. The resignation will be effective at the time it is received by the Secretary or at the time specified in the resignation, whichever is later.

#### **b) Vacation of Office of a Director**

In accordance with By-Law # 1, the office of a Director will automatically be vacated if a Director:

- (i) resigns the office by delivering a written resignation to the Secretary of the Association.

- (ii) fails in any fiscal year to attend at least half the Board meetings and the other Directors shall not have resolved within three months of the end of such fiscal year that such Director should remain in Office; or
- (iii) is removed by special resolution in accordance with By-Law #1.
- (iv) Under extreme circumstances and in highly unusual circumstances it may become necessary to recommend to the Board the removal of a Director from the Board.
- (v) The Governance and Nominating Committee is responsible for recommending the removal of a Director to the Board based on the foregoing reasons. Before making a recommendation to the Board, the Governance and Nominating Committee will follow the following procedures:
  1. The Director in question will be treated fairly and with respect.
  2. The Director will be given notice of applicable reason for removal.
  3. The Director will be given the opportunity to respond (for example, attendance can improve, conflict of interest can be examined, and questions of conduct can be reviewed).
  4. The Director will be notified of the final consideration and the recommendation to the Board.

### **c) Approval of the Membership**

The Board on approving the recommendation of the Governance and Nominating Committee shall make a recommendation to Members.

### **d) Post-Service**

Upon retirement, resignation, vacation or removal from the Board, a Director must:

- (i) securely destroy or return all confidential material relating to the association.
- (ii) return any manuals or other material (e.g. letterhead, business cards, access cards etc.) that may be re-used by another Director; and
- (iii) Return any equipment owned by the association the possession of the Director.
- (iv) The Secretary will use all reasonable methods to ensure that all such equipment and materials are returned or securely destroyed.

## **5. Review Of Board Policies**

- (i) In keeping with best practices in governance, the Governance and Nominating Committee will annually review Board policies for relevance, and to ensure compliance with the By-Laws and applicable laws and will make recommendations to the Board for revisions as required.
- (ii) Annually the Governance and Nominating Committee shall ask each Board Standing Committee to review its policies for appropriateness, detail and whether there should be changes to Board policies impacting their committee. Each Board Standing Committee will develop a review schedule and report any suggested changes to the Governance and Nominating Committee.
- (iii) There should be a full policy review by the Governance and Nominating Committee At least every three years.
- (iv) All new policies will be reviewed by the Governance and Nominating Committee prior to recommendation to the Board.
- (v) The Secretary will be responsible for ensuring that all Board policies are reviewed and revised consistent with Board approval.

## **6. Communications**

- (i) The Board will comply with its obligations on consultation and communications with its membership and its related organizations.
- (ii) The board will respond in a timely manner to public inquiries, complaints and concerns about its activities and operations.
- (iii) The Chair is responsible for Board communications and may delegate authority to one or more Directors, officers or employees of the Association to make statements to the news media or public about matters that the Chair determines appropriate for disclosure. No Director will be a spokesperson for the Board unless specifically delegated by the Chair.
- (iv) The Board will ensure that the Association develops policies and processes as required to ensure effective ongoing communication and positive relationships between the Association and its related organizations.

## Change Log

Date	Section	Change
27-Feb-23	All	Standardize "By-Laws"
	All	Capitalize "Director/s"
	Preamble	Moved Table of Contents title to follow preamble
	A	Added title, "Governance Policy Framework"
	1-A-1	Change "Communications" to "Communicating" under board accountability
	1-A-2	Under "Program Quality and Effectiveness" change "arising at Association" to "arising within the Association"
	1-A-4	Moved title, "Director's Declaration" before "NAVAL RESERVE ASSOCIATION OF CANADA"
	1-A-4	Change penultimate bullet from "I am able to have the means" to "I am able and have the means"
	1-A-4	Applied jiggerey-pokery to get declaration on one page
	1-A-7	Added titles for "Establishment of Committees" and "Standing Committees" to fit pattern
	All	Standardized bullets
	All	Standardized numbering and replaced some numbering with bullets – <b>need to review</b>
	1-B-4	Assume " <b>RESIGNATION / REMOVAL OF A DIRECTOR</b> " should be 1-B-4
	1-B-5	Changed title from "Policy Manual" to "Board Policy"
	1-B-6	As above
	All	Moved page number to right margin where less inclined to get too close to page text, and added total pages.
3-Mar-23	All	Replaced all red text (other than notes) with black

	All	Changed text in the body of paragraphs from UPPER CASE to Title Case. Eg. GOVERNANCE AND NOMINATING COMMITTEE and removed duplicate references thereto.
	1-A-1	Policy regarding English/French added to the bottom of this section
		Bullet point after the third paragraph is subsumed into the paragraph
		Under “Excellent Leadership”, replaced “Provide for Chair/President, corporate officers and Committee Chairs succession.” With “Provide for the <b>orderly</b> succession of the Chair/President, corporate officers and committee chairs.”
	1-A-2	Revised “Build Relationships” paragraph à la JB
	1-A-6	Replaced section on regional representation
	1-A-7	<p>Removed the paragraph from the “Membership section” section requiring a majority of directors on committees and reworded the (renumbered) paragraph 3.</p> <ul style="list-style-type: none"> <li>i) The majority of Board Standing Committee members shall, unless otherwise approved by the Board, be elected Directors.</li> <li>ii) Committee membership, except for the Executive Committee, does not have to be limited to members of the Board of Directors.</li> </ul> <p>Becomes</p> <p>3. The majority of the members of the Executive Committee and the Governance and Nominating Committee shall be members of the Board of Directors. Otherwise, and except for the Executive Committee, membership does not have to be limited to members of the Board of Directors.</p>
		Removed duplicated GNC title in para 1
	1-A-8, 1-A-9	Chair’s and Vice-Chair’s terms - Replaced “for a three year term” with “for a term of up to three years with”

	1-A-9	Chair's Role Statement – rewritten to align with the wording of the Chair's Role Statement so that the language and style are consistent.
	1-A-10 1-A-11	Added "Term" for Treasurer and Secretary to match Chairs
	1-A-12	Added "normally" to annual appointment of Committee Chairs and deleted note to EC
	1-A-15	Replaced FC with "Finance Committee"
	1-B-1	Added "DIRECTORS" to title
	para 6	Removed "assessment" from "shall not participate in the Nomination assessment process."
	All	Removed several references to "governor"
June 11, 2023	Title	Removed "Draft for Discussion". Policy has been approved by the Board.
	Preamble	Added "This was approved by the board at its meeting on March 14, 2023."
	All	Removed all references to UNTD and replaced either with Naval Reserve Association of Canada, or Association
	All	Numbering styles slightly revised; two lines removed from footer