

GOVERNANCE & NOMINATING COMMITTEE (GNC) MANDATE & CHARTER

A. Composition

The Governance & Nominating Committee (GNC) is a Board Committee which shall be comprised of members of the Board.

B. Terms of Reference

The purpose of the GNC is to develop adequate governance policies, recruitment strategies, training programs and board evaluation protocols to ensure that the Board fulfills its legal, ethical and functional responsibilities. The GNC will ensure that the Board of Directors is able to govern the organization effectively through the:

1. Creation of governance policies and procedures;
2. Recruitment of suitable Board Members and identification of suitable Committee Members;
3. Provision of orientation and training programs for Board Members; and
4. Evaluation of the performance of individual members and the Board as a whole.

a) Governance Policy Development

The GNC will ensure that policies are created and periodically reviewed which define:

1. The roles and responsibilities of the Board and its Committees;
2. Duties and responsibilities of Directors, Officers, the Board Chair and the Chairs of Committees;
3. Conflict of interest procedures and Codes of Conduct; and
4. Procedures for nomination, selection, and removal of Directors.

b) Recruitment & Selection of Directors and Committee Members

The GNC will ensure that:

1. The Board does not fall below the number of Directors required by the O. Reg. 33/08; as such it will develop a nominating process to recommend to the Board of Directors a nominee to fill any vacancy on the Board of Directors which occurs by reason of a Director ceasing to be a Director;
2. Director nominations take into consideration the Board's need for balance as to gender, sector, expertise and diversity;
3. Directors understand and agree with the purpose and mandate of SO and the Code of Ethics for Directors;
4. Directors appointed to the Board understand and agree to the time and participation requirements of members;
5. Board Committees have sufficient membership to carry out their duties accordingly; the GNC will recommend to the Board, from among the Board's directors, (i) those Directors

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- who are to serve on the Board’s “Standing Committees”, and (ii) those Directors to serve as Chairs of Standing or Special Committees of the Board; and
6. Elections and appointments to the Board comply with the regulations and other legal requirements.

c) Education

The GNC will ensure that Directors are able to discuss, debate, and plan the following from a basis of knowledge:

1. SO’s goals, objectives, approved stewardship program plans and all requisite requirements;
2. The organization’s budget and financial statements; and
3. The roles, duties and responsibilities of the Board, Committees, individual Directors and Officers.

d) Evaluation

The GNC will ensure that the Board, its Committees, and its Directors are able to plan their activities with knowledge of the achievements, abilities, strengths, and limitations of current Directors and staff. The Committee will make recommendations to the Board of Directors regarding the process for ongoing and annual Board evaluation and will conduct for the purpose of Board and Director development, an annual performance review of the Board, each Board and Standing Committee, each individual Director, the Chair of the Board, and the Chairs of the Board & Standing Committees. The Committee will review the results of the annual Board evaluation and make recommendations to address gaps and issues identified by Directors in an annual report to the Board. The Committee will also be responsible for monitoring disclosure of governance performance in SO’s annual report (i.e. attendance of Directors).

C. Operating Principles

The GNC shall fulfill its responsibilities within the context of the following principles:

1. Committee Values
The GNC expects the management of SO to operate in compliance with SO’s Code of Conduct and policies, and with laws and regulations governing SO.
2. Communication
The Chair and members of the GNC expect to have direct, open and frank communications throughout the year with management, other Committee Chairs and other key GNC advisors as applicable.
3. Annual GNC Work Plan
The GNC, in consultation with management shall develop an annual Committee Work Plan responsive to the GNC’s responsibilities as set out in this Mandate. In addition, the GNC, in consultation with management shall develop and participate in a process for review of important governance topics that have the potential to impact SO’s effective operation.

4. Meeting Agenda

GNC meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the Board Chair, Committee members and senior management.

5. Committee Expectations and Information Needs

The GNC shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that all reasonably required and available information (including minutes) relating to each matter to be dealt with by the GNC at its meetings will be received from management within a reasonable time frame in advance of each Committee meeting (e.g. five days).

6. Reliance on Experts

In contributing to the GNC's discharging of its duties under this mandate, each member of the GNC shall be entitled to rely in good faith upon:

- i. The reports of SO represented to him or her by an Officer of SO or in a written report of external advisors with respect to the governance policies of SO; and
- ii. Any report of a lawyer, accountant, appraiser or other person whose profession lends credibility to a statement made by any such person.

7. External Resources

To assist the GNC in discharging its responsibilities, the GNC shall, after consultation with the Board Chair, retain at the expense of SO, one or more persons having special expertise that will assist the GNC in discharging its responsibilities.

8. In Camera Meetings

The members of the Committee shall meet in private session as part of each meeting, (i.e. without management present). The Committee shall meet in private session as often as it deems necessary.

9. Reporting to the Board

The GNC, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

10. Committee Self-Assessment

The GNC shall annually review, discuss and assess its own performance. In addition, the GNC shall periodically review its role and responsibilities.

D. Operating Procedures

1. The GNC shall meet at least twice annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair or upon the request of two (2) members of the Committee;
2. Quorum means 50% of the members of the Committee and a minimum of two (2) people;
3. GNC to accommodate the planned and unplanned absences of the GNC Chair, he or she should appoint an Acting Chair at the start of his or her term of office. In the absence of the Acting Chair, the Committee Members present shall appoint an Acting Chair; and
4. A copy of the minutes of each meeting of the GNC shall be provided to each member of the Committee and to each Director of SO in a timely fashion.

E. Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board Members are subject. The essence of the Committee's duties is to gain reasonable assurance (but not to ensure) that the governance and nominating policies, procedures and practices of SO (i) are being conducted effectively and in compliance with all applicable laws, statutes and regulations, (ii) are reasonable and appropriate in the circumstances given the nature of the organization and its strategy, and (iii) are sufficiently and accurately reported upon to the Board.