



Governance Committee Terms of Reference

Approved by the Board on June 20, 2019

Purpose & Authority

Struck by the Board of Directors, the Governance Committee (GC) supports the delivery of the Board's overall governance mandate.

Composition

The GC consists of a minimum of three directors, including a Committee Chair, and they are appointed by the Board annually.

Meetings

The Committee meets approximately five times per year, and has authority to convene additional meetings as required. Committee members are expected to attend all meetings in person or by teleconference and quorum is simple majority. The Chair sets the agenda and works with other Committee members and the Chief Governance Officer to ensure agendas and appropriate materials are circulated one week in advance of a meeting. The Board Chair serves as an ex-officio member, the CEO and other members of Management attend upon request of the Committee and the Chief Governance Officer serves as advisor and secretary, ensuring minutes are taken and procedural matters are addressed.

Responsibilities

Committee Operations

- Annually review the Committee terms of reference and work plan with any proposed amendments to be presented to the Board for approval;
- Ensure Committee members have the resources and materials available to them to discharge their duties.

MEC Governance Framework

- In collaboration with the Board Chair, monitor and make recommendations to the Board concerning the overall governance of MEC;
- Ensure MEC's internal, member-directed and publicly available reporting, including the integrated Annual Report, appropriately and effectively represent the status and priorities of the Board and MEC as a whole;
- At least annually, consider MEC's performance against publicly-reported KPIs
- Provide advice and support to the Chief Executive Officer in the implementation of MEC's strategic and long term planning process, as appropriate
- Ensure that the Board's work on risk governance, including all aspects of MEC's risk profile, is adequately prioritized and resourced, and take a lead role in considering how best the Board can ensure its risk governance-related processes are robust and reflective of MEC's needs.

Board Operations

- Through the annual Board evaluation process and other consultation tools, periodically assess and make recommendations involving the Board's operations, including;
 - Reviewing and monitoring the Board's meeting procedures;
 - Ensuring that Board meetings focus on priority governance topics;
 - Ensuring that Board meetings are structured to optimize productivity; and
 - Ensuring that the link between Board and committee functioning is effective and productive.

Board Performance Evaluation

- In consultation with the Board Chair, develop and implement an annual board, committee and director assessment process which includes:
 - The collection and analysis of input on general Board, Committee and individual director performance;
 - Relay of the analysis and any potential action items concerning Board and Committee performance to the Board for consideration, with individual director performance outcomes to be relayed through the Board Chair.
 - Conduct the Board Chair performance evaluation, with performance outcomes to be relayed to the Board Chair through the Chair of the Governance Committee.
- In relaying annual board evaluation outcomes, provide advice on desired board skill sets and competencies necessary for enhancing the Board composition generally to the Nominations Committee.

Governance Development and Training

- In collaboration with the Board Chair and Chief Governance Officer, oversee the orientation and training program in place for incoming directors at the start of each Board year;
- Oversee the development and periodic refreshment of MEC's Director's Manual;
- Based on outcomes of annual board performance evaluation processes, oversee development of a training plan for the Board and individual directors as required, ensuring the Board's budget includes an appropriate allocation for the plans;

Board Compensation

- At least every 3 years, oversee a comprehensive review of director compensation utilizing external benchmarks, considering possible changes to the director compensation structure and ensure any recommended changes for member consideration at the AGM;
- Oversee the board compensation framework, ensuring effectiveness of its administration over the course of the year and that compensation is aligned with approved policy;
- As required, evaluate and decide on claims for compensation or expenses that are not explicitly covered in policy (case by case)
- Ensure director compensation is reported annually to members

Co-operative Sector Engagement

- Oversee MEC's ongoing engagement with the co-operative sector

Resolutions Duties

- Assess and complete due diligence for any proposed Rule amendments and/or special or ordinary resolutions as per the terms set out in the MEC Rules of Cooperation.

Annual General Meeting (AGM) Duties

- In collaboration with the Board Chair, ensure the AGM and related notice of the AGM are effectively coordinated and that the AGM rehearsal is completed to satisfaction, with the following advance preparations having been performed:
 - Prior review and confirmation of the AGM agenda, Rules of Order, presentations or related materials, with such matters to be both confirmed by the Board Chair and circulated to Directors following Committee endorsement.