

1. PRIMARY ROLE OF THE BOARD

The Board of Directors (the “Board”) of the Human Resources Professionals Association (“HRPA”) is charged, on behalf of its members, with the careful and responsible management of HRPA and, as such, is the highest decision making authority within the organization. The Board of HRPA is responsible for both regulatory governance, its responsibility to govern the profession to protect public interest, and corporate governance, its responsibility to direct, monitor and evaluate the Association itself. This responsibility of the Board consists primarily of the duty to manage or supervise those who manage the business and affairs of HRPA. The overarching role of the Board of Directors therefore is to be a governing type board which focuses on **governance and stewardship** rather than on running the day-to-day operations of the Association – the latter of which is the responsibility of management. The Board, however, is further authorized to delegate to an officer or officers of HRPA certain powers to manage the business and affairs of HRPA. As such,

- a) the Board has delegated to the chief executive officer of HRPA (the “CEO”) the powers and authority to manage the business and affairs of HRPA; and
- b) the Board has assumed the duty to supervise the CEO’s management of the business and affairs of HRPA (the “Supervision Duty”).

As governors of HRPA, their governance goal is to enhance executive decision making for the purpose of improving the performance of the organization. Accordingly, every member of the Board (a “Director”) must, in discharging his or her Supervision Duty and other duties,

- c) act honestly and in good faith ***with a view to the best interests of HRPA***; and
- d) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- e) Comply with the Act, Bylaws and any policies adopted by the Board.

The Board of Directors is accountable to the Association’s stakeholders.

2. THE SUPERVISION DUTY

Without limiting the scope or nature of the Supervision Duty, the Board acknowledges and accepts that the Supervision Duty includes the following obligations and duties of the Board:

Financial Reporting and Disclosure

- a) The board must gain and maintain reasonable assurance that HRPA meets all financial

reporting and disclosure obligations imposed on HRPAs by applicable law and applicable regulations, rules, policies and other requirements relating to financial reporting and disclosure promulgated by governments and regulatory agencies (“Financial Reporting Obligations”). The Board recognizes that the most significant Financial Reporting Obligations are as follows:

1. HRPAs’s annual and quarterly financial statements must present fairly HRPAs’s financial position, the results of its operations and its cash flows in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”);
2. HRPAs’s annual financial statements must be reported on by a firm of chartered accountants (the “external auditor”) which is objective and independent; and
3. material financial information concerning HRPAs must be disseminated to its members in a timely manner and all financial information concerning HRPAs which is disseminated to the members must be accurate, complete and fairly presented.

b) The Board must also:

1. appoint and maintain finance and risk committee (the “FRC”) to assist the Board in discharging its duty to gain reasonable assurance that HRPAs meets the Financial Reporting Obligations;
2. nominate a firm of chartered accountants for appointment as the external auditor by the members of HRPAs;
3. fix the compensation of the external auditor; and
4. adopt policies governing HRPAs’s hiring of partners, employees and former partners and employees of the present and any former external auditor.

Strategic Planning

- a) The Board, in conjunction with the CEO, must develop a statement of the strategy which HRPAs intends to pursue in carrying on business (the “Strategic Plan”). For the purposes of this and other documents, strategy involves: (1) the determination of those long term goals (i.e. mission, vision and values) and objectives which reflect an organization’s sources of competitive advantage and which address important stakeholder needs; and (2) the identification of scope (or domain) of business activities within which those goals and objectives are to be achieved.
- b) If at any time the Board is of the opinion that the then-existing Strategic Plan is no longer appropriate, the Board – in conjunction with the CEO – must develop a revised Strategic

Plan.

- c) After the Board has approved the Strategic Plan, the Board must monitor at each Board meeting HRPAs implementation of the Strategic Plan and HRPAs progress toward achieving the Strategic Plan.

Risk Management

The Board must gain and maintain reasonable assurance that the risks confronting HRPAs ("Risks") are identified, monitored and managed by the senior management of HRPAs ("Management"). In particular, the Board must gain and maintain reasonable assurance that:

- a) Management has identified the most significant Risks currently confronting HRPAs ("Current Principal Risks");
- b) new significant Risks which confront HRPAs ("New Principal Risks") will be identified in a timely manner; and
- c) Management directly and effectively monitors and manages HRPAs Principal Risks.

Regulatory

In the area of regulatory governance, the Board plays a clearly prescribed oversight and compliance role, including in areas of professional conduct, complaints, discipline, and appeal. The Board governs through clearly set out regulatory governance processes and oversees the Associations regulatory governance. The overarching consideration is the protection of the public interest.

Human Resources

- a) The Board must gain and maintain reasonable assurance that there exist within HRPAs effective policies and practices to enable HRPAs to attract and retain the people required by HRPAs to meet the Strategic Plan. In particular, the Board must gain and maintain reasonable assurance that:
 - 1. HRPAs overall compensation philosophy for all senior managers balances the objectives of (i) attracting and retaining highly competent employees, (ii) appropriately and fairly rewarding strong performance by employees, (iii) maintaining HRPAs employee costs at competitive levels, and (iv) linking managers' compensation to the achievement of HRPAs strategic objectives;
 - 2. the compensation program for members of Management consists of an appropriate combination of base salary, performance based rewards and other benefits;

3. HRPA establishes and maintains effective policies and practices for training and continuously improving the skills of high-potential managers and employees; and
4. HRPA establishes and maintains a succession plan which identifies the potential successors to the holders of all Management positions in HRPA.

b) The Board must also:

1. establish and maintain a job description for the CEO which reflects the Board's delegation to the CEO of the powers and authority to manage the business and affairs of HRPA;
2. appoint as the CEO a person whom the Board believes is capable of managing the business and affairs of HRPA in a manner which will enable HRPA to achieve the Strategic Plan;
3. discharge the CEO when the Board believes he or she is no longer capable of managing the business and affairs of HRPA;
4. approve the terms and conditions of the CEO's employment by HRPA;
5. establish a formal process for annually assessing the performance of the CEO and other members of Management;
6. establish, maintain and communicate to the CEO a policy which defines the limits of the CEO's powers, authority and accountability to the Board in managing the business and affairs of HRPA;
7. approve comprehensive compensation programs for the CEO and for other members of Management;
8. establish the criteria against which the performance of the CEO will be evaluated;
9. evaluate the performance of the CEO against the criteria approved by the Board; and
10. delegate to a Board committee (the "Human Resources and Compensation Committee" or "HRCC") the responsibility to perform any of the tasks (a) through (i) in this section and to make recommendations to the Board concerning them.

Miscellaneous Supervision Duties

The Board must also:

- a) adopt and use reasonable efforts to monitor compliance with a written code of business

conduct and ethics (the "Code") *applicable* to Directors, officers and employees of HRPAs; the Codes must include standards designed to deter wrongdoing and must address the following issues:

1. conflicts of interest;
 2. protection and proper use and exploitation of HRPAs's assets and opportunities;
 3. fair and ethical dealing with HRPAs's members, suppliers, employees and other stakeholders;
 4. compliance with applicable laws, rules and regulations; and
 5. reporting of any illegal or unethical behavior;
- (b) require every Director, member of Management and employee to annually sign acceptance of their applicable Code of Conduct;
- (c) require waivers of compliance with the applicable Code which shall be granted only by the Board or an appropriately empowered Board committee;
- (d) gain and maintain reasonable assurance as to the integrity, comprehensiveness and effectiveness of those elements of HRPAs (including its resources, systems, processes, culture, structure and tasks) which, taken together, support HRPAs's personnel in meeting HRPAs's objectives and obligations, including the Financial Reporting Obligations;
- (e) adopt a communications policy for HRPAs;
- (f) gain and maintain reasonable assurance (i) as to the integrity of the CEO and the other members of Management, and (ii) that the CEO and the other members of Management create and maintain a culture of integrity throughout HRPAs

3. OTHER DUTIES

The Board also acknowledges and accepts the following duties and obligations of the Board.

Governance Structures and Practices

- a) The Board must gain and maintain reasonable assurance that the Board's composition, structures and practices enable the Board to discharge the Supervision Duty and the Board's other duties in a highly effective manner. In particular, the Board must gain and maintain

reasonable assurance that:

1. all Directors – except the public directors – hold an HRPAs designation;
2. all Directors have no relationship with HRPAs which, in the view of the Board, could not reasonably be expected to interfere with the exercise of the Director’s independent judgment;
3. the Chair of the Board is not a member of Management;
4. every member of every Board committee is not a member of Management;
5. the Board, as a whole, possesses the competencies and skills required to enable the Board to discharge the Supervision Duty and the Board’s other duties; and
6. the number of Directors constituting the Board facilitates effective decision-making by the Board.

b) The Board must also:

1. delegate to the “Governance and Nominating Committee (“GNC) the responsibility for maximizing regulatory oversight, and Board effectiveness by developing and recommending to the Board HRPAs approach to corporate governance, including a set of corporate governance principles and guidelines specifically applicable to HRPAs; and, the responsibility through the Board Nomination Committee for identifying individuals qualified to become new Directors and recommending qualified individuals to the Board (i) as nominees for election to the Board, or (ii) for appointment by the Board to fill casual vacancies in the Board; continuing oversight of the Chapters (delegated by SECTION 23.08 of the General By-Law);
2. appoint and maintain such other committees of the Board (in addition to the FRC, GNC and HRCC) as the Board deems necessary or desirable to assist the Board in discharging the Supervision Duty and the Board’s other duties;
3. as a part, or by means, of regularly scheduled meetings of the Board, hold separate meetings of the Directors at which no member of Management is present;
4. develop and maintain a written mandate for each committee of the Board;
5. develop and maintain written position descriptions for (i) the Chair of the Board, (ii) CEO and Secretary (iii) the Chairs of Board Committees, (iv) Chapter Chairs and (v) an individual Director;

6. develop and implement processes for regularly assessing (i) the effectiveness of the Board, taking into account the Board's mandate, (ii) the effectiveness of the Chair of the Board, the CEO and Secretary and the Committee Chairs taking into account their position descriptions (iii) the effectiveness and contribution of each Board committee, taking into account such committee's mandate, and (iv) the effectiveness and contribution of each individual Director, taking into account the position description for an individual Director as well as the competencies and skills which such Director is expected to bring to the Board;
7. keep the GNC advised of the Board's views as to (i) the competencies and skills which the Board, as a whole, should possess, and (ii) the competencies and skills which each existing Director possesses;
8. use reasonable efforts to cause each new Director to engage in an orientation process directed to enabling the new Director to understand fully (i) the role of the Board and all Board committees, (ii) the contribution that every Director is expected to make to governing HRP A, including the commitment of time and energy expected of every Director, and (iii) the nature and operation of HRP A's business and affairs;
9. use reasonable efforts to provide to all Directors continuing education opportunities to maintain and enhance Directors' skills and abilities as directors and to further Directors' knowledge and understanding of the nature and operation of HRP A's business and affairs;
10. establish and maintain a process by which any Director may, at the expense of HRP A, engage independent counsel or other advisors to provide advice to the Director with respect to the Director's discharge of his or her duties as a Director.

Governance Culture

The Board must use its best efforts to establish and sustain amongst all Directors a culture which incorporates the following values, and convictions:

- a) acceptance of the Board's accountability for HRP A's performance;
- b) the conviction that Directors owe each other their best efforts in carrying out their duties and exercising their authority;
- c) upholding the trust of the members and students whom the Board represents and undertaking our responsibilities with due regard to the interests of all stakeholders;
- d) accepting the responsibility for meeting the spirit as well as the letter of applicable laws;

- e) contributing objective views on critical issues of strategy, business development and operations after thorough preparation;
- f) recognizing the importance of solidarity when decisions are taken;
- g) committing to exercising the Board's fiduciary duties only in the interests of the HRPA and free of personal objectives;
- h) exercising business judgment in decision making objectively after exercising appropriate due diligence;
- i) openly engaging criticism to diligently expose moral as well as financial risks, liabilities and opportunities;
- j) holding co-responsibility for fostering a board environment that invites and respects difference and dissent, dealing rigorously with alternatives, and constructing compelling rationales for choices;
- k) practicing personally, and within the Board, the accountabilities that are demanded of executives and employees;
- l) insisting on the highest level of honesty and integrity in all actions of the Board, Management and employees of HRPA; and
- m) encouraging and fostering conditions which build and enhance trust and respect amongst all of the Directors.
- n) As much as is practically possible, the Board seeks to make all its decisions by consensus.

Approved the GNC March 2022