



Nunavut Tunngavik Inc.

GOVERNANCE POLICY FOR THE BOARD OF DIRECTORS

*Approved by the Board of Directors in January 2001
Last Amended in August 2012*

This Governance Policy consists of four parts:

- Part 1: Board Operations
- Part 2: Board/Chief Executive Officer Relations
- Part 3: Executive Constraints
- Part 4: Chief Executive Officer Constraints

PART 1: BOARD OPERATIONS

1.1 Operating Style

The operating style of the Board will focus on:

1. leadership that looks at the broad, long-range vision;
2. the future;
3. a clear distinction between the roles of the Board, President, Vice Presidents, and Chief Executive Officer (the “CEO”); and
4. identifying and dealing with problems and issues before they happen.
(be proactive)

In this spirit, the Board will:

1. gear its major work to the long-term results for NTI, not to the administrative or program activities that achieve the results;
2. direct, control, and inspire NTI through careful thought, discussion and establishment of policies. By starting the policy development process, not merely reacting to CEO initiatives, the Board, not the CEO, will be accountable for the results achieved by NTI;
3. enforce upon itself whatever discipline is needed to operate with excellence. This will apply to attendance, treating each other with dignity and respect, respecting the roles of the Board and the President, Vice Presidents, and CEO, and speaking with one voice;

4. allow no officer, individual, or committee of the Board to assume the Board's authority;
5. be accountable to Inuit enrolled under the Nunavut Land Claims Agreement (hereafter "Inuit") for competent, conscientious, and effective accomplishments;.
6. monitor, and regularly discuss the Board's operation and performance. Regular review and updating of Board operation policies will ensure continued improvement; and
7. use the expertise of the various Board members to enhance the ability of the Board as a body.

1.2 Policy Development

The Board sees the development of policy as providing effective parameters and broad guidelines for the management of the affairs and activities of NTI, and for the action of the Board and the CEO.

In fulfilling its responsibility for policy-making, the Board will be directed by the following considerations:

1. in shaping policy, the Board will become highly visible in seeking input. Input will be sought from a variety of sources, including, as appropriate, Inuit, other Inuit organizations, , other boards, government, and staff;
2. the Board will ensure that its policies are in compliance with relevant law;
3. in setting policy, the Board will start by stating the broadest, most general statement of policy, and will proceed to progressively develop more specific policies until the Board reaches its level of comfort; and
4. the CEO is responsible for the day-to-day implementation of NTI policies.

1.3 President's Role

The President's role is to oversee the general management and affairs and activities of NTI so as to carry out the will of the members. The President ensures the integrity of the Board's operations. The President or his/her designate is the only person authorized to speak on behalf of the Board.

1. The President will ensure that the conduct of the Board is consistent with the law and its own rules and policy. The President is empowered to:
 - a. chair Board meetings, with all commonly accepted authority of that position;
 - b. confine meetings to those issues which, according to policy, are to be decided by the Board;
 - c. keep discussion timely, fair, efficient, thorough, and to the point;.

- d. ensure *Robert's Rules of Order* are observed, as and when it is deemed appropriate; and
 - e. coordinate the evaluation of the President, Vice Presidents and the CEO.
2. The President will act consistently with established policy for Board operations and the Board/CEO relationship. Specifically:
- a. the President's authority does not extend to implementing NTI's strategic plans or operational policies, each of which is the responsibility of the CEO; and
 - b. The President will not generally supervise, direct or interpret policies for the CEO, except as necessary and appropriate to implement the will of the Board.

1.4 Linkage to Inuit

The Board acts on behalf of the Inuit. This requires that Directors be proactive in seeking out the needs, concerns and opinions of Inuit, and keep them regularly informed.

1.5 Committees

The Board may establish committees to help carry out its responsibilities. Committees will be used sparingly and will only be used to support the Board, as follows:

- 1. committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be specifically defined;
- 2. committees may not advise or exercise authority over staff;
- 3. committees will receive written terms of reference from the Board, which will include a definition of product and any authorization to expend resources; and
- 4. the Board will use *ad hoc* committees, as required from time to time, for the purpose of gathering information related to policy issues.

Ad hoc committees of the Board:

- a. will be chaired by a Director of the Board;
- b. may include in their composition, members of NTI who are not on the Board;
- c. will receive written terms of reference from the Board; and
- d. will be disbanded once they have completed the specific tasks assigned to them.

1.6 Relations with the Media

Relations with the media in matters relating to NTI and any political issues are the responsibility of the President, and relations with the media in relation to program delivery matters are the responsibility of the CEO.

Except as otherwise delegated, the President and the CEO are the only persons authorized to speak on behalf of NTI. Each has the authority to issue press releases, respond to the media and, as appropriate, delegate this responsibility for specific issues.

Members of the media will be encouraged to contact the office of the President or the CEO.

1.7 Ethics Committee

An ethics committee shall be formed consisting of a Chairperson, the Chief Executive Officer, the Chief Operating Officer and the Chief Legal Officer (Director of Legal Services) (CLE). The Chairperson shall be the President, or another board member nominated by the President and appointed by the Board on an annual basis. An Alternate Chairperson shall also be appointed by the Board amongst members of the Executive Committee. The Alternate Chairperson will serve as the Chairperson when the President is in a conflict or otherwise not available

The Committee shall decide all issues regarding ethics and conflicts of interest related to the President, Vice-Presidents and other board members that are related to NTI business. When the issue is related to the President, the Alternate Chairperson shall serve as the Chairperson. Ethics and conflict issues related to the CEO shall be decided by the Chairperson in consultation with the COO and the CLE. Issues related to the COO shall be decided by the CEO and the CLE. Issues related to the CLE shall be decided by the CEO and the COO, with external legal advice if necessary. Issues related to other employees will be decided by the CEO, COO and CLE, together with the employee's immediate supervisor(s).

In reaching their decisions, the committee shall be guided by NTI policies, applicable laws and the best interest of NTI and Inuit.

The COO and the CLE report to the Board directly on all issues regarding legal and NTI policy compliance and implementation, ethics and conflicts of interest, and CEO performance.

To ensure full function of the committee and to facilitate open and candid discussions amongst the committee members, all disciplinary and human resources actions (including termination without cause) against the COO and the CLE shall be decided by the Board. The COO or CLE shall be given opportunities to verbally explain the circumstances related to the proposed action before the Board makes the decision.

PART 2: BOARD/CEO RELATIONS

2.1 CEO's Job Function and Delegation

The CEO is the Board's single official link to the operating organization and is the person to whom the Board delegates all operational authority. The only constraints are those established by policy.

- A. The CEO's job is to manage the day to day affairs and activities of NTI as delegated by the Board of Directors. The CEO will:
1. advise the Board on all Board policies;
 2. make all decisions, take all actions, and develop all activities which are true to the Board's policies and other direction; and
 3. assume full responsibility for:
 - a. human resource matters and the hiring of all staff;
 - b. organization of administrative programs and procedures;
 - c. directing the day-to-day activity of staff, either directly or through delegation;
 - d. financial management;
 - e. monitoring financial and program performance and preparing summary reports for Board review; and
 - f. acting as a liaison with the public, other agencies, and government.
- B. Delegation to the CEO

The Board's job is generally confined to establishing highest level policies, leaving implementation and subsequent policy development to the CEO. CEO constraint policies constrain the CEO to act within acceptable boundaries of prudence and ethics.

All authority delegated to staff is delegated by the CEO. Subject to NTI's By-Laws, the Board may, by changing its policies, take away or increase areas of the CEO's authority. The Board may request information about activities delegated to the CEO.

2.2 Role of Staff on Board Committees

A successful committee is reliant upon individual members operating in the interest of the committee as a group, and consequently, in the interest of NTI as a whole. All committee members share responsibility for building group cohesiveness, respecting confidentiality, and promoting committee openness.

From time to time, the CEO may assign staff to committees. When serving on committees, the staff member represents the CEO. The role of staff on a committee is to provide advice and assistance to the committee as required. Staff are not considered full members of the committee. They are not eligible to vote.

2.3 Role of Board Directors on Staff Committees

A successful committee is reliant upon individual members operating in the interest of the committee as a group, and consequently, in the interest of NTI as a whole. All committee members share responsibility for building group cohesiveness, respecting confidentiality, and promoting committee openness.

From time to time, a Board Director may be asked to serve on a staff committee. The role of the Board Director on a staff committee is to bring Board-level input to the staff's decision-making process. The following guidelines will apply to the role:

1. staff have no obligation to take the advice of individual Board members, unless directed to do so by the CEO; and
2. the Board Director does not have the authority, or responsibility, to provide the Board with reports or feedback on this activity unless authorized by the CEO.

PART 3: EXECUTIVE CONSTRAINTS

3.1 Operational Practices

In the course of conducting his/her duties, the President and the Vice Presidents will not cause or allow any practice, activity, decision or organizational circumstance which is unlawful, imprudent, immoral or unethical or in violation of commonly accepted business and professional ethics.

3.2 Staff Treatment

With regard to the treatment of paid and volunteer staff, the President and the Vice Presidents will:

1. treat staff fairly and based on individual job performance and/or job-related qualifications;
2. not permit staff to be subjected to unsafe or unhealthy conditions;
3. ensure respect for confidentiality;
4. provide opportunities for skill maintenance and development;
5. provide a clear message that harassment is not acceptable, and provide specific recourse for individuals who believe they are suffering harassment;
6. follow a consistent, fair and open recruitment, selection and promotion process;
7. ensure training is carried out in a culturally sensitive manner; and
8. operate within the Human Resources Policy Manual.

3.3 Financial Management

The President and the Vice Presidents will preserve and promote the financial integrity of NTI. Accordingly, the President and the Vice Presidents will not:

1. make, on his/her own authority, any significant purchases which deviate from the operations budget as presented to the Board;
2. allow actual expenditures to deviate significantly from the budget; or
3. disburse any non-budgeted items that cannot be recovered from another budget category.

3.4 Risk Management

For the proper management of NTI's risk, and care of its assets, the President and the Vice Presidents will not risk losses beyond those necessary in the course of daily operations.

Accordingly, the President and the Vice Presidents will not:

1. allow abuse or misuse of assets. Property will be inventoried, and a security system in place, to ensure adequate safeguards to prevent loss, damage, or theft of property; or
2. sell or otherwise dispose of assets under controls insufficient to meet a consistent, open and fair process.

3.5 Compensation and Benefits

With respect to employment, compensation, and benefits to the President, the Vice Presidents, consultants, and contract workers, the President and the Vice Presidents will ensure that NTI's fiscal integrity and public image are protected, and will avoid the appearance of impropriety.

The President and the Vice Presidents will not change their compensation or benefits as established by the Board.

PART 4: CEO CONSTRAINTS

4.1 Operational Practices

In the course of conducting his/her duties, the CEO will not cause or allow any practice, activity, decision or organizational circumstance which is unlawful, imprudent, immoral or unethical or in violation of commonly accepted business and professional ethics.

The CEO during, or after his/her employment, will not disclose any confidential information obtained while serving as the CEO.

4.2 Administrative Expectations

Recognizing that the Board is accountable for the operation of NTI, the Board delegates day-to-day operational responsibility for NTI's affairs to the CEO.

The CEO will develop, for the approval of the Board, any appropriate and necessary administrative and operational policies and procedures. These policies and procedures will be widely available within NTI.

4.3 Communication and Advice to the Board

When providing information and advice to the Board, the CEO will endeavour to ensure that the Board has the best possible information. Accordingly, he/she will:

1. advise the Board of relevant trends, public events and significant external and internal changes. In particular, the Board must be informed of any changes in the assumptions upon which any Board policy has previously been established;
2. provide points of view, issues, and opinions, needed for fully informed Board choices, from internal and external sources; and
3. present information in an appropriate level of detail and form.

4.4 Staff Treatment

With regard to the treatment of paid and volunteer staff, the CEO will:

1. treat staff fairly and based on clearly individual job performance and/or job-related qualifications;
2. not permit staff to be subjected to unsafe or unhealthy conditions;
3. ensure respect for confidentiality;
4. inform staff and volunteers of significant policies and guiding principles or changes affecting NTI;
5. provide opportunities for skill maintenance and development;
6. provide a clear message that harassment is not acceptable, and provide specific recourse for individuals who believe they are suffering harassment;
7. follow a consistent, fair and open recruitment, selection and promotion process;
8. prepare staff for prompt action in case of emergency or disaster;
9. ensure new staff is fully oriented to NTI;
10. ensure training is carried out in a culturally sensitive manner; and

11. operate within NTI's Human Resources Policy Manual.

4.5 Treatment of Inuit

In NTI's relations with Inuit, the CEO will ensure that NTI:

1. provides services in a manner that respects the Inuit language and culture;
2. respects individuals' rights and confidentiality interests;
3. treats individuals in an equitable manner; and
4. provides appropriate services in a timely manner.

4.6 Budgeting

The CEO will not jeopardize the fiscal integrity of NTI. Accordingly, she/he will not cause or allow budgeting, which:

1. deviates substantially from the Board's budget priorities and allocations;
2. plans the expenditure in any fiscal year of more operating or capital funds than are projected to be received for that period;
3. contains insufficient information to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, subsequent audit trails and disclosure of planning assumptions;
4. reduces current liquid assets below a level that will meet NTI's liabilities;
or
5. fails to ensure the operating budget includes provision for Board expenses and development.

4.7 Financial Management

The CEO will not cause or allow the financial integrity of NTI to be damaged. Accordingly, he/she will not:

1. expend more funds than have been received in the fiscal year to date, except as provided in No. 2 below;
2. unless approved by the Board, allow NTI to become indebted in an amount greater than can be repaid by certain, otherwise unencumbered, revenues within 30 days;
3. make, on his/her own authority, any single capital purchase (outside the budget) greater than his/her spending authority, unless approved by the Board or the Executive Committee;

4. make, on his/her own authority, any significant purchases which deviate from the operations budget as presented to the Board;
5. Allow cash to drop below the amount needed to settle payroll and payables in a timely manner.
6. allow actual expenditures to deviate significantly from the budget;
7. disburse any non-budgeted items that cannot be recovered from another budget category; or
8. allow tax payments or other government ordered payments to be late or inaccurately filed.

4.8 CEO Backup

To protect the Board from sudden loss of the CEO's services, the CEO will not cause or allow insufficient executive backup, and specifically will:

1. in the absence of the CEO from NTI for more than five working days, designate a staff person to assume the role of the CEO. Notice of such designation will be communicated to the staff;
2. ensure that a designated staff person is familiar with Board issues, processes and policies; and
3. ensure that the President of the Board is notified immediately of the CEO's absence for more than five days.

4.9 Risk Management

For the proper management of NTI's risk, and care of its assets, the CEO will not risk losses beyond those necessary in the course of daily operations. Accordingly, he/she will:

1. Insure against theft, fire or liability losses at a prudent level;
2. as appropriate, require staff to function within professional practice guidelines;
3. ensure that NTI property is inventoried, and a security system is in place, to ensure adequate safeguards to prevent loss, damage, or theft of property;
4. require NTI's assets to be properly maintained;
5. not allow any one individual to have complete authority over any significant financial transactions;
6. sell or otherwise dispose of assets in consistent, open and fair processes;

7. require NTI's contractors to provide sufficient proof of acceptable standards of operation and insurance coverage to mitigate risk; and
8. ensure that NTI maintain Directors' Liability Insurance and Life and Travel Insurance for Board members while on Board business.

4.10 Compensations and Benefits

With respect to employment, compensation, and benefits to the CEO, consultants, and contractors, the CEO must not jeopardize NTI's fiscal integrity or public image. Accordingly, he/she will not:

1. change his or her compensation and benefits as established by the Board or the Executive Committee; or
2. establish current compensation and expenses for consultants and contractors which:
 - a. deviate significantly from the geographic or professional market of individuals with those skills;
 - b. create obligations over a longer term than that for which revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue;
 - c. cause unfunded liabilities to occur, or in any way commit the organization to expenses, which incur unpredictable future costs or
 - d. provide less than some basic level of benefits to contract employees, as prescribed by the Canada Labour Code and the Nunavut Labour Code.

(Last Amended in February 2009)