



GLOBAL RISK INSTITUTE IN FINANCIAL SERVICES

BOARD OF DIRECTORS CHARTER

The Board of Directors (the "Board") of the Global Risk Institute in Financial Services (the "Corporation") is responsible for oversight of or supervising the management of the business and affairs of GRI.^[1] In adopting this written mandate and keeping it in effect, the Board explicitly acknowledges responsibility for the stewardship of the GRI. Specific aspects of that stewardship responsibility are set out in this charter.

1. Risk and Strategy

(a) The Board shall adopt a strategic planning process and shall:

- (i) approve at least every three years, a strategic plan that takes into account, among other things, the opportunities and risks of the business;
- (ii) conduct an annual review of resources required to implement GRI's strategy; and
- (iii) receive regular reports from management on performance indicators that monitor the GRI's progress against the approved strategic plan.

(b) On at least an annual basis, the Board shall satisfy itself that management has a process in place to identify, manage and monitor the principal risks faced by GRI.

2. Research and Education

(a) The Board shall review and approve management's annual plans for research and education strategies.

(b) The Board shall also receive regular reports on progress against the approved research and education plans.

[1] This responsibility is set out in the GRI's governing statute, the Not-for-Profit Corporations Act (Canada). It is subject to the further provisions of that statute, to the GRI's articles and to any unanimous member agreement. The articles do not contain any provision that restricts the authority of the Board to manage the GRI and there is no unanimous member agreement in place.



3. Finance and Audit

Having regard to reports and recommendations of the Finance and Audit Committee and, if appropriate, the Board will:

- (a) Approve the audited annual financial statements and reports to Members with respect to those statements;
- (b) Receive the interim annual financial statements;
- (c) Recommend to Members the appointment or replacement of the external auditor;
- (d) Approve the Business Plan, including the annual Operating and Capital Budgets prior to communicating such plans to Members, in particular those that require such plans as a condition of their financial commitments; and
- (e) Approve the appropriate levels of insurance required.

The Board shall also receive reports from the Finance and Audit Committee on the performance and risk exposures of the Investment Portfolio.

4. Membership

(a) Having regard to the reports and recommendations of the Membership, Human Resources and Compensation Committee, the Board will approve the membership in the Corporation, including:

- (i) the types, kinds and categories of organization considered appropriate to be Members in light of the purpose of the Corporation, with an equitable level of financial support to be committed as a condition of membership;
- (ii) the period of time over which the commitment is expected; and
- (iii) the manner in which withdrawal of a Member from the Corporation will be handled.

(b) Having regard to the reports and recommendations of the Membership, Human Resources and Compensation Committee, the Board will approve such



applications for membership as it considers appropriate.

5. Membership and Non-Membership Revenue

Having regard to the reports and recommendations of the Membership, Human Resources and Compensation Committee, the Board will:

(a) approve the framework regarding revenue policy on the types of revenue the Corporation will receive from both members and non-members.

6. Human Resources and Compensation

(a) To the extent feasible, the Board shall satisfy itself as to the integrity of the corporation's CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;

(b) Having regard to the reports and recommendations of the Membership, Human Resources and Compensation Committee, the Board will, as appropriate:

(i) approve the corporate goals and objectives for which the CEO shall be responsible;

(ii) in collaboration with the Board Chair, approve the CEO's compensation level based on the evaluation;

(iii) approve the succession plan for the position of CEO;

(iv) approve the Corporation's remuneration and compensation policies, including pension arrangements; and

(v) approve the selection and appointment of the CEO and the termination of the CEO, if required.

7. Nominations to the Board:

Having regard to the reports and recommendations of the Nominating and Governance Committee, the Board will, as appropriate:

(a) Annually approve the appropriate criteria for the selection of new Directors, based on the considerations the Committee considers relevant, including the skills and



qualifications of the Directors then on the Board and the additional skills and qualifications the Committee considers appropriate for the Board; and

(b) Approve candidates to fill any vacancies not attributed to those designated for Government or Founding members on the Board.

8. Corporate Governance:

Having regard to the reports and recommendations of the Nominating and Governance Committee the Board will, as appropriate:

(a) Approve changes to the corporate governance policies, practices, procedures, and by-laws;

(b) Approve appropriate term lengths and term limits for directors;

(c) Approve the election of the Chair of the Board;

(d) Consider the issue of Board Chair succession planning;

(e) Approve Directors to sit on each of the committees of the Board;

(f) Approve the Director to serve as Chair of each of the committees of the Board;

(g) Approve the mandates of the Board and each of the committees of the Board, and the position descriptions for the Chair of the Board and the Chairs for each of the committees of the Board and that of the President and CEO and, in each case, where necessary, or advisable, approve actions and/or changes; and

(h) Approve the mandates of the Research Advisory Committee, the Business Strategy Committee and the Advisory Council and, in each case, where necessary or advisable, approve actions and/or changes.

The Board shall also receive recommendations from the Nominating and Governance Committee on the evaluation process for the Board Chair, Committee Chairs, and the Board and its members.



This Charter shall be read together with the Committee Appointments and Operations Policy of the Board and with the by-laws of the Corporation (the "By-laws"). To the extent that there is any conflict or inconsistency between the provisions of this Charter and the Committee Appointments and Operations Policy, the provisions of this Charter shall apply. To the extent that there is any conflict or inconsistency between the provisions of this Charter and By-laws, the provisions of the By-laws shall govern.

This Charter was approved by the Board of Directors of the Global Risk Institute in Financial Services on July 28, 2016.



