

Board Composition, Succession and Appointment Process

1. Composition

The board of directors (Board) is composed of up to ten directors (Directors) who shall be nominated by the Board and approved by the members.

The Board composition will be reviewed on an annual basis.

At all times, the Board must be composed of more than fifty percent of non-executive directors.

2. Term

All Directors are appointed for a three-year term and may be re-appointed up to a maximum of nine years. In exceptional circumstances, a Director's term limit may be extended (e.g., Board leadership position, leading special project).

Director terms are staggered to ensure continuity and orderly transition of Board membership.

3. Key Considerations in Board Composition

The optimal Board composition for the Rick Hansen Foundation (RHF) is to ensure the best mix of skills and experience to provide for overall stewardship of the Foundation and involves consideration of the following four broad categories of attributes.

a) Personal Characteristics

All Directors should be committed to RHF's vision and mission and covenant, and possess the following personal characteristics:

- **Alignment with RHF Values.** An unwavering commitment to RHF values
- **Mature Leadership.** Experience-driven perspective and self-awareness of emotional patterns and triggers
- **Strategic Thinking.** The ability to be a forward-thinker, generates and applies unique business insights to challenges and opportunities, ability to challenge conventional thinking

- **Good Communicator and Influencer.** Expresses thoughts and ideas clearly and with respect for the views of others and listens actively. Has credibility with management, other directors and the members
- **Business Acumen.** Track record of wise business judgment and history of achievements that reflect high standards for themselves and others
- **Fiduciary Duty.** Strong understanding of fiduciary responsibility to the long-term sustainability of the Foundation
- **Independence of Mind.** Unfettered from speaking their mind honestly on all issues
- **Active Participant.** Comes to meetings fully prepared and listens and speaks up
- **Team Player.** Committed to the role of the Board as a whole, works to resolve issues, treats others in a respectful and supportive manner, is flexible in arriving at solutions
- **Intuition** regarding a not-for-profit business. Respects members, their long-term vision for RHF and their level of risk tolerance and are committed to upholding the Founder's Covenant

b) Specific Skills and Experience

The Board should possess a combination of skills and experience relevant to RHF's strategic goals and the Board's oversight responsibilities. Relevant skills and experience are updated as required and listed in a Board Skills Matrix.

c) Board and Committee Leadership

In order for the Board to be effective, it is important that it include some Directors who have the necessary skills, experience and desire to fill the key leadership positions of Board Chair and Committee Chairs.

d) Diversity

Within the context of the required Board skills, consideration is given to creating a Board that gives the Board a balance of perspectives. Diversity in this context includes diversity of backgrounds, perspectives, problem-solving approaches and consideration of the individuals that RHF supports.

4. Process

The following process is followed to determine the needs of the Board and to identify Director candidates. This is an annual, evolutionary process, aimed at continuously improving the understanding of the Board's needs and identifying existing and future Director skills, experiences and attributes.

a) Identify Priority Needs

In consultation with the Board Chair, the Human Resources and Governance Committee leads a process to identify specific skills and experience desired in new directors to fill upcoming vacancies.

In order to identify the desired skills and experience, the Human Resources and Governance Committee develops and analyzes a Board Skills Matrix to determine:

- the optimal attributes desired for the Board as a whole and whether the categories should be changed or updated;
- the skills, background and experience of continuing Board members; and
- the “priority needs” (i.e., those attributes that should be added and/or strengthened on the Board) to be filled in the appointment of new Directors.

The form of Skills Matrix is to be used as a guide by the Board and Human Resources and Governance committee in reviewing the needs of the Board and the priority needs in new Directors.

In completing the Skills Matrix each year (in or around February), the Human Resources and Governance Committee:

- reviews and revises (as required) the list of skills along the horizontal axis;
- marks the skills of each continuing director;
- circulates the Skills Matrix to the Founder to provide him with an opportunity to share their considerations/expectations of Directors; and
- circulates the completed Skills Matrix to the Board for its review and approval.

The completed Skills Matrix, as approved by the Board, is used as a guide by the Human Resources and Governance Committee to evaluate potential candidates to fill vacant Director positions.

b) Process

The Board Chair and Human Resources and Governance Committee co-lead the Director recruitment and appointment process guided by the priority needs identified in the updated Skills Matrix.

(i) New Directors

The process for appointing new Directors involves the following key steps:

- based on a consideration of the four attributes referenced in Section 3 and the priority needs remaining after consideration of the incumbent Directors, the Human Resources and Governance Committee with the Board Chair identifies Director candidates who best fit the Board's needs.
- The Board Chair reviews the slate of potential Director candidates with the Founder for review and feedback.
- Following review by the Founder, the Human Resources and Governance Committee prepares a slate of Director nominee(s) that is submitted to the Board for recommendation to the members at the AGM or otherwise.

(ii) Incumbent Directors

When an incumbent Director's term is due to expire, and the Director is eligible to be elected for a further term, the Board Chair or Chair of the Human Resources and Governance Committee will discuss the Director's interest in seeking election for a further term, guided by the following questions:

- What have I contributed during my current term?
- What is required for RHF going forward?
- Do I still fit with what RHF needs on the Board?
- Do I have the passion, time and energy to commit to the next term?

In considering whether to invite an incumbent Director to seek re-appointment the Human Resources and Governance Committee considers:

- whether the Director has made a significant contribution to the Board's work over the preceding year;
- whether the Director's specific areas of expertise continue to be areas of priority for the Board; and
- the need for orderly succession of Directors.

5. External Support

The Human Resources and Governance Committee may, in its discretion, engage external advisors to assist it in the identification of Director candidates or to otherwise provide support for the Board recruitment process.