
This Policy is in effect as at September 3, 2008

Corporate governance refers to the structure and processes used to direct and manage the business and affairs of an organization, with the objective of fulfilling its mandate. Good corporate governance contributes to the achievement of the organization's objectives. In a Crown corporation, the structure and processes define the division of responsibilities and powers among the Crown, usually represented by a Minister, the Board and Management and establish key accountability mechanisms.

Canadians expect their governments and public institutions to govern themselves in a manner that embodies the highest standards of efficiency, effectiveness and accountability. The Canadian Museum for Human Rights (CMHR) is committed to fulfilling its mandate in a way that reflects best practices in corporate governance so it can be fully accountable for the public and private funds with which it has been entrusted. The purpose of this policy is to define the corporate governance practices the Museum is committed to use as it pursues its mandate.

As a Crown corporation, the Museum is a distinct legal entity wholly-owned by the Crown. Its mandate, as expressed in the *Canada Act*, is:

Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."

Like other Crown corporations, the CMHR has greater managerial autonomy than a Government department. To balance its autonomy with accountability to both the public and Parliament, the Museum is required to comply with Part X of the *Access to Information Act* (*ATIA*), which outlines the control and accountability framework for Crown corporations.

The *Access to Information Act* requires the establishment of a Board of Trustees, responsible for the direction and control of

In addition to the _____ and the _____, the Museum is also required to comply with the relevant provisions in other statutes, including, among others:

and

Although all the staff and Board members of the Museum have a responsibility to adhere to and carry out the governance policy, once it has been adopted, the principal responsibility for implementing the policy and ensuring compliance with it rests with the Board of Trustees and Management, led by the Museum's Director/CEO. An effective relationship between the Board and Management is key to how well Trustees fulfill their fiduciary responsibilities and to how well the Museum achieves its mandate. The ability of the Board to work closely with Management and at the same time function with a perspective independent of that of Management is central to good corporate governance.

The Board, in conjunction with the Director/CEO strives to ensure an appropriate allocation of responsibilities between itself and Management. The following sections describe the respective roles, responsibilities, duties and functioning of the Board of Trustees and Senior Management.

The 1990 _____ states that:

While Trustees are removed from the day-to-day decision making of the corporation, their role is vitally important.
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performing duties assigned by the Chairperson are defined in the Museum's By-Laws and the

To exercise their responsibilities, Trustees should become familiar with the general parameters of the legislation that created the Museum; any other legislation applicable to the corporation; its general By-Laws; and Part X of the . In addition, annual reports, the Corporate Plan and various policies prepared by Management provide further material for study.

Each Board member should also acquire a more specific knowledge of the Museum, how it is organized, how it is financed, its products and services, and its major suppliers and customers. This knowledge can normally be acquired during actual meetings of the Board of Trustees. For most Trustees, the experience of working on the Board with the other members proves to be the most effective means of acquiring the necessary working knowledge of the Museum.

ii. MANDATE, POWERS AND ROLE OF THE BOARD OF TRUSTEES

The General By-Law of the CMHR defines the mandate and powers of the Board of Trustees as follows:

"The Board has all the powers and the

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The Board holds Management accountable for the Museum's performance, its long-term viability and the achievement of its objectives. The Board is responsible for ensuring the Museum is managing its intellectual and capital assets, its installations and exhibitions, its collections, and its human and financial resources in accordance with best management practices and professional museum standards.

Trustees establish the CMHR's strategic direction, safeguard its resources, monitor its performance and report to the Crown. They are also involved in stakeholder strategies and communications and succession planning for the Board and Senior Management of the Museum:

To these ends, the primary monitoring and reporting responsibilities of the Board are:

approval. Once approved, the Director/CEO then establishes the specific guidelines and procedures needed for implementation of the policies.

The operations and the handling of the day-to-day business and affairs of the CMHR are functions of Management. In this regard, the competence, skills, integrity and prudence of Management are the most important factors in the effective delivery of the Museum's management. Managers are expected to function, and be seen to be functioning, in an ethical, transparent manner in all their endeavors so as to enhance the public's trust and confidence in its national institutions.

i. ROLE OF THE DIRECTOR/CEO

The Museum's Director/CEO is ultimately accountable for the institution's organizational and procedural controls. Both the _____ and the By-laws of the Museum provide the fundamental basis for the terms of reference for the Director/CEO. Section 23 of the _____ states:

The Director/CEO brings the needed support to the Chairperson in order that the Board fulfils its governance responsibilities and facilitates the interaction between Management and the Board. He or she is responsible for the formulation of the Museum's general orientation and for providing the needed leadership for the realization of the institution's mandate, vision, strategic choices and objectives.

The Director/CEO is in charge of the daily management of the Museum's activities and ensures that the Museum's achievements respect the Corporate Plan. He/she must respect the strategic framework and the policies approved by the Board. The Director/CEO sees to the optimum allocation of resources and to the appointment and direction of the management team. He/she sees to the professionalism and development of the Museum's staff in a climate conducive to excellence. The Director/CEO is also the main spokesperson for the institution and sees to the Museum's good relations with key stakeholders and the general public.

¹ Exceptionally, the legislation creating the CMHR stipulates that the Government shall appoint the first Director.

An Audit Committee.

On the recommendations of the Governance and Nominating Committee, the Board appoints members to the committees based on their interests, expertise and availability, and ensures Board members are appropriately represented on the committees. Terms of reference for the committees include the following provisions:

A Trustee acts as Chairperson;

The Chairperson of the Board is a voting member of all committees;

The Director/CEO is ex officio (non-voting) member of all committees;

The Board and committees other than the Executive Committee may recommend the appointment of advisors; committees should determine the core competencies and skills required of such advisors before considering appointments; and

Committees will inform the Board of their activities, findings, conclusions and recommendations.

The Board assesses its own performance and that of its committees on an annual basis. These appraisals cover the planning, preparation, presiding, participation and follow-up of meetings, as well as the contribution of Trustees to the Museum's governance.

The Board delegates to its Governance and Nominating Committee the responsibilities of developing and monitoring the CMHR's overall approach to corporate governance issues and, subject to approval by the Board, implements and administers the system. The Committee recommends, establishes and administers the Board's annual performance review and reviews with the Board, on a regular basis, but not less than annually:

The terms of reference and membership of each of the committees of the Board;

The methods and processes by which the Board assesses its performance;

The Board's information needs and the extent to which they are being met.

Periodically, the Board also reviews its own roles and responsibilities to ensure they reflect best practices, and the challenges facing the Museum. It may also wish to review its responsibilities relative to those of management to ensure these responsibilities are appropriately allocated.

The Museum's Annual Report shall include a description and assessment of the Museum's corporate governance policies and practices.

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