

## **CHAPTER 9: THE BOARD OF DIRECTORS**

### **68. THE PURPOSE AND POWERS OF THE BOARD OF DIRECTORS**

Foresters Board of Directors is composed of officers of the International Assembly. When the International Assembly is not in session, the Board of Directors exercises all authority of the International Assembly, except the power to amend the Constitution beyond the provisions of sections 67F and 67G. It oversees the business and fraternal affairs and the management of Foresters, its funds and property, in accordance with and subject to the Act, and does so through a management framework which includes, but is not limited to, strategic planning, risk management, succession planning, internal management control, corporate policy-making, investment policy, and internal and external communications. The Board may delegate any of its power to act on its behalf, except as prohibited by law or by prudent governance principles.

### **69. THE COMPOSITION OF THE BOARD OF DIRECTORS**

The Board of Directors is made up of the International Fraternal President, 13 officers elected by the International Assembly, one of whom is designated International Fraternal Vice President, and the President and Chief Executive Officer (CEO).

### **70. BOARD OF DIRECTORS MEETINGS**

- A. The Board of Directors will hold regular meetings at least four times in each calendar year. Meetings may be called by the Board chairman or chairwoman, or at the request of a majority of the Board members. Members will be notified in writing of the time, date, and location of the meeting at least seven days in advance.
- B. Special meetings may be called on shorter notice, if all members agree in person or in writing to the special meeting.
- C. A majority of members of the Board of Directors, who must be present in person or by telephone, will constitute a quorum.
- D. A meeting of the board of directors or a committee of directors may be held by means of such telephonic, electronic or other communications facilities as permit all persons participating to communicate adequately with each other during the meeting.

- E. Any action required or permitted to be taken at a board of directors meeting may be taken by written action signed by two thirds of the directors then in office. A written consent under this provision has the same force and effect as a vote of the board of directors taken at a meeting.

## **71. THE CHAIRMAN/CHAIRWOMAN OF THE BOARD OF DIRECTORS**

The Board of Directors will appoint one of its members, other than the International Fraternal President or the President and CEO, as chairman or chairwoman. The duties of the chairman or chairwoman are set out in the Board approved mandate.

## **72. THE PRESIDENT AND CEO**

- A. The Board of Directors appoints the President and CEO, specifies his or her duties, and supervises and directs his or her work. The Board of Directors evaluates the President and CEO's fulfillment of these duties at least annually.
- B. The President and CEO may not serve as chairman or chairwoman of the Board of Directors or as International Fraternal President.
- C. The President and CEO serves as a voting *ex officio* member of the Board of Directors and the International Assembly.
- D. The President and CEO directs the management of Foresters, within the framework provided by the Board of Directors.

## **73. THE MEMBERS OF THE BOARD OF DIRECTORS**

- A. Members of the Board of Directors are non-voting *ex officio* members of all Foresters Branches and Regional Assemblies, with all rights of membership except the right to vote or hold office within the Branch or on a Regional Council.
- B. If a Board member dies, resigns, or becomes unable to continue in office, the other Board members may elect any voting member of Foresters to fill the vacancy. The new Board member will remain in office until the next regular meeting of the International Assembly.
- C. If a Board member neglects or refuses to perform his or her duties, the other Board members may, by a unanimous vote, declare his or her position vacant and elect a replacement.

- D. Members of the Board of Directors may receive honoraria, fees, and expenses, within guidelines established by the Board of Directors.

#### **74. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors may form standing (permanent) or ad hoc (temporary) committees, assign them specific tasks, and determine their mandate, membership, chairs, and reporting requirements.

#### **75. AUDITS AND FINANCIAL STATEMENTS**

- A. The Board of Directors will engage a qualified firm of chartered accountants to carry out an annual audit of the consolidated financial statements of Foresters and will ensure that the auditors' report is provided to the Board of Directors. A summary of these consolidated financial statements and the auditors' report will be published annually in the official publication of Foresters. The Board of Directors may change the firm of chartered accountants employed to perform the audit whenever the Board considers it appropriate to do so.
- B. The Board of Directors will ensure the preparation of consolidated financial statements covering the four years since the last International Assembly meeting and engage a qualified firm of chartered accountants to carry out an audit of these statements. The Board of Directors will provide these documents to the International Assembly at least 30 days before the opening of its meeting.

#### **76. MAINTENANCE OF RESERVES**

- A. If Foresters reserves for any class of certificate or contract become impaired, the Board of Directors may require that the owners of the certificates or contracts pay an additional assessment reflecting an equitable proportion of the deficiency, as determined by the Board. If the payment is not made, either:
  - i. it will stand as a debt against the certificate and draw interest; the interest is not to exceed the rate specified for certificate loans, or as prescribed by law, or, if no rate is specified or prescribed, five percent a year, compounded annually; and/or
  - ii. the owner may accept a proportionate reduction in benefits under the certificate.
- B. The Board of Directors may specify the manner by which the owner chooses to discharge the assessment and which choice is presumed, if no choice is made.

