

# GOVERNANCE PROGRAM

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## 1. PREAMBLE

The Governance Program supports the Association's commitment to sound and prudent management practices that are derived from the Association's nature, its purpose, and the importance of its activities.

The Governance Program sets out the expectations for the behaviour expected of directors and officers, the role of the committees, and the nature of internal controls.

## 2. DIRECTORS AND OFFICERS

The Association is governed by a Board of Directors (hereinafter referred to as the "Board") comprising 15 directors elected by general vote of the members.

The Association expects its directors and officers to adopt the following behaviours:

- a) They are required to act in good faith in the best interests of the Association. They must never act to promote their own interests or interests of a third party;
- b) Directors are obliged to manage and supervise the Association's affairs positively. They may not act in a passive manner. They must obtain all information required to make informed decisions;
- c) Directors have a duty to attend Board meetings, to clarify any situation that appears dubious or questionable, and to request an expert opinion or report on matters for which the Board does not have the required expertise;
- d) Unless they raise an objection, directors shall act in solidarity with the decisions made by a majority of the members of the Board;
- e) Directors are required to exercise a duty of reserve. They must maintain secrecy with regard to deliberations and confidential information brought to their attention due to their role.

## 3. DEVELOPMENT OF COMPETENCE CRITERIA FOR BOARD MEMBERS

The competence profile of directors must be diversified to allow the Board to assume its responsibilities fully. As well as having skills relating to real estate brokerage, members should seek to elect individuals to the Board who also have additional expertise related to the Association's affairs.

## 4. PERSONAL QUALIFICATION CRITERIA

Association directors should have the following personal qualifications:

- a) Understanding of the director's role;
- b) Understanding of the Association's purpose;
- c) Specific personal accomplishments or, if this is not the case, demonstrated potential to acquire them;
- d) Leadership and decision-making capacity;
- e) Ability to act in a decision-making body;
- f) Capacity for analysis and synthesis.

## 5. CRITERIA FOR ASSESSING PROBITY AND COMPETENCE

The Association considers that a person may sit on a decision-making body if they have demonstrated personal and professional integrity, possess sound judgment, and have demonstrated an ability to administer their own affairs. Probity and competence are essential aspects of good governance.

This assessment is based on the following probity criteria:

- a) Criminality criteria:
  - criminal offence in relation to fraud;
  - money laundering;
  - any offence relating to the morality or personality of the individual;
- b) Financial criteria:
  - bankruptcy;
  - personal insolvency;
  - insolvency of a business of which they were an officer or director;
- c) Prudential criteria:
  - a declaration of non-competence by a regulatory or disciplinary authority;
  - a declaration of improbity by any authority;
- d) Background criteria:
  - career path;
  - prohibition to act in the capacity of director;
  - unfavourable judgment by any decision-making body;
  - rejection of an application by another organization;
  - ethical violation or breach.

### 5.1 Public registers

Analysis of an application is supplemented by a review of the data in the following registers:

- a) Civil records;
- b) Bankruptcy records;
- c) Penal and criminal records;
- d) Name search in key search engines, including social media.

Such a verification must be extensive enough to determine a candidate's level of media presence, as well as any other matter that may adversely affect the candidate's or the Association's reputation.

## 6. OFFICERS

### 6.1 President, Vice-President, and Secretary

The duties of the President, Vice-President, and Secretary are briefly described in the General Bylaws and are more fully described in the specific document that outlines their mandate.

### 6.2 Election of the President, Vice-President, and Secretary

Election of the President, Vice-President, and Secretary, if applicable, shall be conducted in accordance with the Election Procedure set out in Appendix A hereto.

### 6.3 President and Chief Executive Officer

The President and Chief Executive Officer must specifically:

- a) Ensure that Board decisions are enacted;
- b) Draft the policies and procedures required to operate the Association;
- c) Establish an operational structure to achieve the Association's goals in accordance with the directions established by the Board;
- d) Ensure that the Association's operations are conducted in accordance with its regulatory and normative framework;
- e) Assess the appropriateness of entering into third-party agreements and ensure their implementation;
- f) Provide to the Board and its committees all vital information required for their work;
- g) Establish an effective accountability procedure;
- h) Prepare and monitor the Association's corporate calendar.

Further details can be found in the document entitled "Description de poste Président et chef de la direction".

## 7. COMMITTEE COMPOSITION AND NOMINATION OF MEMBERS

The role of the committees is to guide the Board on decisions relating to specific issues. They have the exclusive authority to make recommendations.

### 7.1 Composition of committees

All **committees** established by the QPAREB must include at least one QPAREB director.

The **Human Resources Committee** is composed of 5 members: 3 QPAREB members, including the Board president and vice-president, 1 Centris director designated by the Centris Board, and 1 Collège director designated by the Collège Board.

The **Strategic Alignment Committee** is composed of the presidents of the QPAREB and its subsidiaries, as well as the top-level manager of these entities.

The **Governance and Ethics Committee** is composed of five members, a majority of whom are Board members.

The **Conciliation and Arbitration Committee** must be composed exclusively of QPAREB members, excluding Board members.

The **QPAREB Audit and Risk Management Committee** is composed of 5 members, the majority of whom must be QPAREB Board members.

The Centris **Audit and Risk Management Committee** is composed of a minimum of 3 and a maximum of 5 persons, all appointed by the Centris board of directors, with the exception of the external member sitting on the QPAREB Audit and Risk Management Committee.

The members of the committees are designated by the Board within 60 days of the annual general meeting based on the recommendations of the committee expressly formed for this purpose. This committee is formed at the first meeting of the Board following the annual general meeting and is composed of the following:

- President of the Board of Directors
- Vice-President of the Board of Directors.
- 3 Association directors
- 1 independent external member

The QPAREB Chief Executive Officer participates in the work of the committee. However, the CEO is not a member.

Committee members serve for one year and remain in office until their successors are appointed or, if appointed ex officio, for as long as they remain in office.

Subject to any limitations contained in a resolution of the Board or in a policy adopted by the Board, the President of the Board of Directors has the right to attend all meetings of all committees, with the exception of the **Conciliation and Arbitration Committee**.

The Board president attending a committee meeting does not have the right to vote nor is counted for the purpose of establishing a quorum.

## 7.2 Committee Presidents

The Board shall designate members as committee presidents and in accordance with the following structure:

### 7.2.1 Liaison Committee

The President of the Board is ex officio President of the Liaison Committee.

### 7.2.2 Strategic Alignment Committee

Le président du Conseil de l'APCIQ est d'office président du comité d'alignement stratégique.

### 7.2.3 Other committees

Committee presidents are elected by their members, except for the president of the Groups Committee, who is appointed by the Board of Directors.

There is no reason to distinguish between directors and other committee members with respect to the position of president. The rule of selecting the best person for the role applies.

It is the responsibility of the directors serving on a committee to ensure that the committee's work is conducted in accordance with the directions established by the Board.

Committee members interested in submitting their candidacy must notify the person responsible for the committee at least 72 hours prior to the meeting at which the election will take place.

## 7.3 Committee meetings

Unless stated otherwise in the General Bylaw or in the resolution creating the committee concerned, the Association's committees shall convene and hold meetings and make decisions mutatis mutandis in the manner set out in the General Bylaw for Board meetings.

## 7.4 Quorum

The quorum for committee meetings is established as being three members.

## 7.5 Notice of meeting

Unless a situation arises requiring an urgent meeting, a committee meeting is convened by giving notice at least 10 days before the meeting date. The notice of meeting shall state the location, date, and time of the meeting. The agenda will be included with the notice of meeting. Items to be discussed at committee meetings are not restricted to the agenda provided with the notice of meeting, if all members are present and agree.

## 7.6 Resources

Members of the Governance and Ethics, Audit and Risk Management, Human Resources, Political Action, Real Estate Brokerage Practices, and Strategic Alignment committees may, at their option, request the presence of any person whose presence is deemed useful for their deliberations, against remuneration. This person is not entitled to vote, and their presence is not counted for the purpose of the quorum.

When the members of one of these committees decide to engage the services of such a person, they must inform the Chief Executive Officer. It is up to the latter to finalize the appropriate agreement based on the information provided by the members of the respective committee.

Members of other committees may request this person's services, against remuneration, only with the Board's approval.

## 7.7 Governance and Ethics Committee

The Governance and Ethics Committee has a mandate to assist the Board in implementing sound governance practices and also acts in this capacity for its controlled entities.

Its mandate includes:

- a) Periodically reviewing the Governance Program, regulations, Code of Ethics, and all policies and directives of the Association and its subsidiaries to ensure that they remain relevant and to propose any changes that may be required;
- b) Defining the process for evaluating the overall performance of the Boards of Directors of the QPAREB and its subsidiaries, their committees, as well as the rules governing the evaluation of directors and the President;
- c) Monitoring the performance and functioning of the governing bodies within the QPAREB and its subsidiaries and actively searching for ways to improve;
- d) Recommending to the Boards of Directors of the QPAREB and its subsidiaries the overall compensation to be paid to directors, the amount of the attendance allowance, and any other compensation;
- e) Making recommendations regarding the composition of the Boards of Directors of the QPAREB and its subsidiaries and various Committees, and defining the qualifications required;
- f) Making recommendations regarding the appointment of directors to the Boards of subsidiaries. Only members of the Governance and Ethics Committee who are not candidates for another Board of Directors may participate in the appointment process.
- g) Determining the nature of training to be provided to directors of the QPAREB and its subsidiaries, and ensuring that this training is implemented;
- h) Validating the adequacy of liability insurance coverage for directors and officers of the QPAREB and its subsidiaries;
- i) Recommending the adoption of the Code of Ethics to the Board and ensuring its application with the QPAREB and its subsidiaries;
- j) Notifying the Boards of Directors of the QPAREB and its subsidiaries of any serious breach of ethics or quality of governance;
- k) Receiving and analyzing any particular or problematic situation that does not comply with the Code of Conduct and Ethics, and taking action according to the mechanisms provided for in the Code;
- l) Performing any mandate that may be assigned to the Committee by the Board;
- m) Periodically identifying individuals whose competence profile meets the needs of the Boards of Directors of the QPAREB and its subsidiaries in order to interest them in the Association's affairs.
- n) Receiving periodic reports from the C.A.B.

## 7.8 Human Resources Committee

The mandate of the Human Resources Committee is to make recommendations on human resources management strategies and policies to the Board of Directors of the Association, and act in this capacity for its controlled subsidiaries.

It oversees the orientation and application of policies and procedures to effectively manage the human resources of the QPAREB and its subsidiaries in terms of total compensation, benefits, succession planning, performance appraisal, labour relations, training and regulatory compliance. The Committee ensures the implementation of sound human resources management practices.

Its mandate includes:

- a) General responsibilities
  - i) Ensure that the human resources strategy supports those of the QPAREB and its subsidiaries.
  - ii) Ensure that human resources policies are put in place, particularly with respect to hiring, training and skills development, and succession planning, in order to ensure that the QPAREB and its subsidiaries can attract and retain the talent required to achieve its strategic objectives.
  - iii) Ensure that the QPAREB and its subsidiaries comply with the laws and regulations governing its operations with respect to human resources management.
  - iv) Oversee risk management associated with human resources.
  - v) Ensure the establishment of a healthy organizational culture.
  - vi) Ensure that the organizational structure serves as a lever for the strategy of the QPAREB and its subsidiaries. Review and recommend, when required, major changes to the organizational structure.
- b) Roles and responsibilities of top-level managers
  - i) Define the role and responsibilities of the top-level manager of the QPAREB and of its subsidiaries. Make recommendations to the Board of Directors for approval.
  - ii) During the hiring process for a top-level manager, define the sought-after objectives for filling the position, review the roles and responsibilities in relation to these objectives, determine the skills profile sought with the support of the President of the Board of Directors and the Director of Employee Experience, if applicable. If a mandate is given to external consultants, the Committee must review the list of potential candidates and approve the list of finalists, participate in the final selection and make a recommendation to the Board of Directors for approval.
- c) Performance evaluation and succession
  - i) Recommend to the Board of Directors the process and criteria for evaluating the performance of executives of the QPAREB and its subsidiaries;
  - ii) Propose a plan for the succession of directors and other key positions at the QPAREB and its subsidiaries.
- d) Remuneration
  - i) Examine and recommend to the Board of Directors the approval of the total remuneration policy as well as any changes required as a result of new laws or regulations.
  - ii) Assess the competitiveness of total compensation policies and practices and report to the Board of Directors on the results or conclusions of the assessments;
  - iii) Examine and revise, if necessary, on an annual basis the fringe benefits offered to employees, senior directors and senior management of the QPAREB and its subsidiaries.

## 7.9 Liaison Committee

The Liaison Committee maintains links with all stakeholders in the real estate sector, including trade associations, regulators, real estate associations, various levels of government, and franchisers.

Its mandate includes:

- a) Establishing effective and consistent communication channels with all stakeholders;
- b) Ensuring the creation of the synergies required to achieve the Association's goals.

## 7.10 Audit and Risk Management Committee

The Audit and Risk Management Committee's mandate is to assist the Board in exercising its responsibility for overseeing the quality and integrity of financial information, risk management, the quality of internal controls, relations with external auditors, and compliance with applicable laws and regulations. Its role is to ensure that the Association observes sound and prudent management practices.

The Audit and Risk Management Committee also acts in this capacity for the controlled entities.

### 7.10.1 Auditor

- Recommending the appointment and remuneration of the auditor for the Association and its subsidiaries in accordance with the appropriate policy;
- Performing the annual assessment of the auditor's performance, practices, and internal quality control policy;
- Ensuring the auditor's independence and objectivity, specifically with regard to senior management;
- Receiving and reviewing the auditor's reports and ensuring that no restrictions or limitations have been imposed on the auditor;
- Fostering transparent communication between senior management and the auditor;
- Understanding the audit strategy and approving the extent of the audit plan for submission to the Board;
- Receiving copies of important correspondence between the auditor and senior management;
- Meeting with management and the external auditor to review and approve the annual financial statements and discuss the quality and adequacy of internal controls;
- Liaising with the external auditors to discuss the quality and acceptability of the selected accounting principles, including:
  - i. all applicable accounting policies and practices;
  - ii. any other financial information discussed with management and the recommended course of action by the external auditors;

### 7.10.2 Financial information

- Reviewing audited annual financial statements before they are submitted to the Board and, if necessary, correcting any inaccuracies;
- Receiving and reviewing the quarterly financial statements and, if deemed necessary, seeking clarification from the top-level manager and director of finance prior to submission to the Board of Directors of the QPAREB or its subsidiaries;
- Reviewing the principal accounting methods and principal estimates used to prepare the financial statements and examining significant variances from budgets or comparable results from previous periods;
- Analyzing the following year's budget and making the necessary recommendations to the Boards of Directors of the QPAREB and its subsidiaries.

### 7.10.3 Other responsibilities

- Ensuring that the Chief Executive Officer has implemented adequate and sufficient internal control mechanisms to ensure the orderly conduct of operations, compliance, and fraud prevention;
- Informing the auditors of any matters concerning information relating to governance, fraud and illegalities, non-compliance with laws, and regulatory requirements affecting financial results that the committee is aware of;
- Promoting an integrated risk management culture and supporting managers;
- Recommending a risk management policy to the Boards of Directors of the QPAREB and its subsidiaries;
- Ensuring that the risk management policy and practices are consistently applied;
- Ensuring the annual update of the list of risks and the mitigation measures in place and informing the Board of Directors of the work accomplished;

- Ensuring the annual update of the raw risk matrix (also known as a heat map) and the list of major risks (risk appetite) and making recommendations to the Boards of Directors of the QPAREB and its subsidiaries;
- Overseeing the development of the implementation plan for approved mitigation measures and subsequent reporting to the Boards of Directors of the QPAREB and its subsidiaries.
- Recommending to the Boards of Directors of the QPAREB and its subsidiaries the adoption of policies relating to matters within the Board's mandate;
- Analyzing changes to the Association's environment and that of its subsidiaries, understanding the impact of these changes on the organization's financial statements, operations, and sustainability;
- Analyzing any other matter that may be referred to them by the Boards of Directors of the QPAREB and its subsidiaries.
- Recommending to the Boards of Directors of the QPAREB and its subsidiaries the adoption of an investment policy and reviewing it annually.
- Veiller à ce que les plans de relève appropriés aient été mis en place en regard du personnel clé.

#### 7.10.4 Approval of certain expenses

The President of the Audit and Risk Management Committee approves the expenses of the President and Vice-President of the Boards of Directors of the QPAREB and its subsidiaries, as well as those of the top-level managers of the QPAREB and its subsidiaries.

#### 7.11 Groups Committee

The Groups Committee's mandate is to organize and oversee relations between the Association and the Groups it establishes.

Its mandate includes:

- a) Identifying criteria to recognize a group and recommending adoption by the Board;
- b) Organizing and overseeing the groups' activities by developing rules and policies governing them to ensure their vitality, relevance, and sound governance;
- c) Communicating to the Board any relevant information from the groups with a view to continuously improving the Association's processes and attaining its goals;
- d) Receiving and evaluating the groups' annual plans.

#### 7.12 Government Relations Committee

The Government Relations Committee's mandate is to guide the Association's actions with regard to its legislative and normative environment. It must also recommend a management and intervention approach for items of interest to the Association and the real estate sector.

Its mandate includes:

- a) Making recommendations to the Board on issues that may affect real estate brokerage practice as a result of policy and legislative decision-making;
- b) Developing and implementing an influence strategy with various levels of government and other decision-making bodies;
- c) Providing information on developments through adequate legislative and regulatory monitoring of laws, regulations, and other governmental actions that may affect the regulation of real estate brokerage, and identifying foreseeable impacts;
- d) Identifying strategies to engage members, including creating a network of representatives and influencers;
- e) Ensuring the compliance and the ethical conduct of relationships of influence and training of representatives, influencers, and all committee members;
- f) Ensuring the positioning of real estate brokers as credible and influential groups in the estimation of various levels of government and other decision-making bodies;
- g) Ensuring a close relationship with the Canadian Real Estate Association (CREA) and ensuring that the Association is an influential member.

## 7.13 Real Estate Brokerage Practices Committee

The mandate of the Real Estate Brokerage Practices Committee is to recommend to the Board any measures aimed at developing and advancing the real estate brokerage practice and liaising with appropriate bodies.

It may, at its discretion, form subcommittees, establish working groups or collaborate with any body.

Its mandate includes:

- a) Analyzing changes to the legislative and regulatory environment of real estate brokerage to assess their impact on professional practice;
- b) Reviewing and assessing the adequacy of key professional practice tools and recommending improvements and amendments as required;
- c) Conducting a periodical review of the Collaboration Bylaw and recommending amendments to the Board as required.

## 7.14 Strategic Alignment Committee

The mandate of the Strategic Alignment Committee is to ensure the establishment of a healthy organizational culture of collaboration, mutual assistance, transparency and sharing of strategic information and discussions among the officers of the QPAREB and its subsidiaries.

The Committee must be involved early in the strategic planning process, by identifying the most coherent and promising directions for the QPAREB and its subsidiaries.

It must also ensure the monitoring and follow-up of directions, priorities, issues, risks, and opportunities having a strategic and common scope for the QPAREB and its subsidiaries, making it possible to then articulate a value-creating collaboration through the consistency of decisions, the synergy of resources and the coordination and prioritization of efforts.

### General responsibilities

- a) Identify where it is possible to create synergy and establish a concerted approach between the QPAREB and its subsidiaries, to optimize their cohesion, the consistency of decisions, the coordination of actions and the achievement of objectives;
  - i. align the strategic directions of entities;
  - ii. discuss common issues, risks, and opportunities;
- b) Ensure the alignment of the strategic plans of entities by acquiring tools that monitor and measure the plan's performance and realization, and by reporting on the progress of ongoing business and strategic projects;
- c) If necessary, demonstrate vision and agility by proposing changes to the established strategic framework and priorities, and identify the repercussions on the QPAREB and its subsidiaries;
- d) Share all relevant information that may have strategic value or impact the decision-making process of the QPAREB and its subsidiaries
- e) Identify all sources of major dysfunction that could affect the mission, vision, and values of the QPAREB and its subsidiaries and ensure that issues, irritants, or problems of a strategic nature are addressed by proposing solutions and ways to improve.

## 8. COMPOSITION, MANDATE AND APPOINTMENT OF THE MEMBERS AND MEETINGS OF THE CONCILIATION AND ARBITRATION BUREAU ("C.A.B.")

### 8.1 Composition of the C.A.B.

The C.A.B. is composed of the following members:

- 1) 5 members of the Association from the Directory of Arbitrators and Conciliators, including the President of the C.A.B., 4 of whom shall be selected by the President of the C.A.B.
- 2) the clerk, a non-voting member.
- 3) a legal counsel, a non-voting member.

The term of office for members of the C.A.B. who are members of the Directory of Arbitrators and Conciliators shall be two years. Members remain in office until their successors are appointed. These terms are renewable. The C.A.B. President may fill a vacancy by selecting a person from the Directory of Arbitrators and Conciliators. The person filling the vacancy shall be appointed for the remaining term of the member being replaced.

No director of the Board may serve on the C.A.B. The President of the Board shall not be entitled to attend meetings of the C.A.B. ex officio.

#### 8.1.1. Terms of appointment

- a) Voting members are selected in accordance with the criteria established by the Governance and Ethics Committee.
- b) Voting members serve two-year terms and remain in office until their successors are appointed.
- c) The terms of office are renewable.
- d) A person who has previously served on the C.A.B. may be invited to serve again for a two-year term, even if they are no longer a member of the Association, provided that their membership ended less than two years prior to their appointment.
- e) The President of the C.A.B. may fill a vacancy for the remaining term of the member being replaced. The person so appointed must be a member of the Association or must have ceased to be one less than two years prior to the date of their appointment.
- f) These nominations shall be effective once the Governance and Ethics Committee has verified that the nomination process conducted by the C.A.B. President is in order.

No director of the Board may sit on the C.A.B. The President of the Board shall not be entitled to attend meetings of the C.A.B. ex officio.

### 8.2 Removal of the C.A.B. President

The President may be removed from office with cause by a resolution passed by the Board at one of its meetings. The President shall be notified of the cause, place, date, and time of the meeting that the Board called to remove them, within the same period as provided for the convening of such a meeting. They may attend and speak at the motion meeting or, in a written statement read by the President of the Council state their reasons for opposing their removal. The Board may, upon removal of the President, appoint a new president.

### 8.3 C.A.B. Mandate

The mandate of the C.A.B. is to:

- a) Administer the By-Laws of the C.A.B. adopted by the Board.
- b) To manage the budget of the Registry.
- c) Evaluate the proper operation of the Registry and its effectiveness.
- d) Ensure that the Registry has the necessary resources to carry out its functions, duties and responsibilities.
- e) Ensuring the continuity of the C.A.B.
- f) Appoint or remove arbitrators and conciliators in accordance with the C.A.B.'s by-laws

- g) To develop and maintain a qualification grid for the members of the C.A.B. and for the President, approved by the Governance and Ethics Committee of the Association.
- h) To establish a price list for the various administrative fees charged by the Registry.
- i) To establish an indexed compensation policy for conciliators, arbitrators, observers and arbitration presidents and an expense reimbursement policy.
- j) To establish the total amount of remuneration payable to members of the Directory serving on the C.A.B. and to the Presidents of the Arbitration Boards, the size of the attendance bonus offered to members of the C.A.B., as well as any other form of remuneration.
- k) Develop an Arbitrator's Guide for members of the QPAREB Directory of Arbitrators and Conciliators.
- l) Identify recurring sources of litigation and make recommendations to the relevant committees of the Association, as required.
- m) Periodically report to the Governance and Ethics Committee, and report to the Board on an annual basis.

### **8.4 C.A.B. Reunion**

Meetings of the C.A.B. and decision-making shall be conducted mutatis mutandis in accordance with the General By-Laws for meetings of the Board.

### **8.5 Quorum of the C.A.B.**

The quorum for meetings of the C.A.B. shall be of three members.

The Clerk and Legal Counsel shall not be entitled to vote, and their presence shall not be considered for the purposes of a quorum.

### **8.6 Meeting Notice**

Unless a situation requiring an emergency meeting arises, any meeting of the C.A.B. shall be convened by a notice given at least 7 days in advance of the date of the meeting.

The notice shall state the place, date, and time of the meeting. The agenda shall be attached to this notice. The business transacted at a meeting shall not be limited to that which is contained in the agenda provided that all members are present and consent.

### **8.7 Resource Person**

The members of the C.A.B. may, at their discretion, appoint, against remuneration, any person whose presence is deemed to be useful for the purposes of their deliberations. This person does not have the right to vote, and their presence is not counted for quorum purposes.

## 9. INTERNAL CONTROLS

Internal controls must provide reasonable assurance that the Association operates in accordance with its normative framework and in pursuit of its objectives. These controls also guarantee that the financial information provided is both fair and adequate.

The controls should be revised from time to time to reflect any shortcomings or deficiencies that have been identified or changes that could be made to the organizational structure or legal and normative environment of the Association.

The Association enacts various controls depending on the company's different operations.

### 9.1 Governance and day-to-day operations

The quality of governance and management of day-to-day operations are subject to the following controls:

- a) The assessment of the quality of governance and performance of directors and officers is performed on the basis of the Board's assessment processes and also in camera;
- b) The top-level manager's performance is assessed at least annually;
- c) The directors of the Association and the top-level manager must complete the declaration form adopted by the Board;
- d) The Association assesses the training needs of its directors annually and ensures that measures are in place to meet those needs;
- e) At each Board meeting the top-level manager reports on day-to-day operations relating to the financial, human capital, legislative, normative and economic environment and the nature of risks the Association is exposed to;
- f) The activities of the Committees on matters falling within their mandate are reported to the Board members;
- g) Opinions obtained from consultants or legal counsel on complex issues requiring additional expertise are also reported.

### 9.2 Financial Aspects

The other financial aspects are subject to the following controls:

- a) External auditors' reports on the financial statements and the adequacy of controls;
- b) Investment managers' report including specifically the list of transactions; they must also provide a letter of compliance with the Investment Policy;
- c) Analysis of significant variances of results from the estimated budget;
- d) The process for validating payables and receivables;
- e) Signing bills of exchange and contracts in accordance with the policies adopted by the Board;
- f) Signing the letter of compliance by the top-level manager and CEO and the Director of Finance and Risk Management.