Rules and Procedures for the GRI Board of Directors

1. Responsibilities

Key responsibilities:

- Determine the GRI’s mission and purpose;
- select the Chief Executive;
- support the Chief Executive and review his or her performance;
- ensure effective organizational planning and succession planning of key positions;
- ensure adequate financial resources to run the organization;
- manage resources prudently and effectively;
- determine, monitor and strengthen GRI’s programs and services;
- be an advocate for the GRI and enhance its public standing;
- ensure legal, ethical and financial integrity and accountability;
- recruit and orient new Board members;
- regularly assess Board performance;
- Oversee internal controls and audit – internal and external.

2. Structure and Membership

2.1 Election of Board Members

The Stakeholder Council appoints all the members of the Board except the Chief Executive, based on a slate of nominations received from the GRI Nominating Committee.

2.2 Chair and Member Term Limits

A Director’s term on the Board is three years, with a maximum of two consecutive terms. Thereafter, a Director may be considered for re-election after being off the Board for at least one year.

One-third of the Board of Directors will be up for consideration (to be replaced or re-elected) every year. Determination of the initial staggered terms (i.e., of very first Board members) will be outside these Rules and Procedures. When a Board member transitions from a Director role to the Chair position, periods served as a regular Board member shall not count towards the term limitation. The Chair cannot serve more than two consecutive terms of two years each.
2.3 Resignation and Expulsion

If a Director chooses to leave his/her position on the Board, then the Director will submit a written resignation to the Chair. The resignation takes effect once the Chair has responded to the Director, which the Chair should aim at doing within a week of receipt of the resignation. If the behavior, activities, or absence of a Board member becomes an issue of concern, then the Chair can put a special resolution for the Board and get a Board decision on the expulsion of the Board member. This decision needs to be ratified by the Stakeholder Council in a formal session or outside a formal session. The subject member has the right to be heard during related discussions.

2.4 Position Description for Chair and Members

Board members have specific obligations, duties, and expectations. Further, the Chair has additional obligations. Please see Appendix A for Director and Chair position descriptions.

2.5 Committees

To fill committee positions, the Chair seeks input from Directors about the committees in which they are interested and suggestions about where other Directors might serve. After consulting with each Director, the Board Chair then proposes Directors for committees and brings this proposal to a Board meeting. The Board then comes to a consensus on the slate of appointments. All Directors are expected to be active participants of at least one committee.

Committees will operate until disbanded by the Chair. A move to disband must be addressed at a regular Board meeting and be made by consensus. New committees must be established in the same manner.

All committees are responsible for maintaining minutes on file for each committee meeting, and providing them to a Director upon request. The Secretariat staff is responsible for producing and keeping on file all such minutes. Minutes will be distributed to Committee members in an expedient manner.

3. Operations

3.1 Regular Operations

3.1.1 Interpretation of Articles of Association
The Board is the final arbiter within GRI regarding interpretations of the GRI Articles of Association. The Chair may retain the services of a legal consultant to provide advice on interpretations of the Articles of Association.

3.1.2 Delegation of Authority
Delegation of authority is permitted in the following manner:
• Board to Finance, Audit and Remuneration Committee
• Board to other Committees or other Board member(s)
• Finance, Audit and Remuneration Committee to Chair or Chief Executive

Delegation of authority will be handled on a case-by-case basis and should be addressed through the normal resolution process (see 3.2.5). The Chief Executive may make a submission to the Board to have authority delegated to him/her on a specific matter.

3.1.3 Financial Matters
Following presentation at a regular Board meeting by the Chief Executive, the Board discusses, amends (if necessary) and approves the GRI annual budget.

The budget is discussed and approved before the prior financial year end of the organization.

The Board has full fiduciary responsibility for the funds of the GRI.

The following decision-making structure shall be used regarding proposed sponsorships or donations from GRI to third parties:
• Value greater than €50,000 – Board
• Value of €25,000 - 50,000 – Chair
• Value less than €25,000 – Chief Executive

GRI may accept financial support in the form of cash, in-kind contributions, or goods or services, from a variety of organizations. The GRI will not accept a donation where it could be considered to compromise GRI’s objectivity and neutrality.

3.1.4 Legal Matters
Please see the limitation of liability for Directors set forth in the GRI Articles of Association and further detailed in the memorandum on Director Liability (June 2006).

On all legal matters affecting GRI the Chief Executive will serve as the initial contact within GRI. The Chief Executive will consult with the Chair immediately upon receipt of legal notice to determine if outside legal advice is necessary. For all routine legal matters, such as trademark and real estate issues, the Finance, Audit and Remuneration Committee does not need to be immediately consulted; however, the Chief Executive should inform the Committee at the next scheduled meeting.

3.1.5 Amending Rules and Procedures
The Board must undertake a full review of these and other GRI governance bodies Rules and Procedures every three years. Amendments should be made through the normal resolution procedure.
3.2 Meetings

3.2.1 Scheduling Meetings
Regular meetings of two days duration of the Board of Directors will be held at least two times a year unless a modified schedule is agreed to by consensus at a previous Board meeting. With input welcomed, the Chief Executive, through the Chair, will propose locations and dates for Board meetings one year in advance.

3.2.2 Establishing Meeting Agendas
The Chair, in consultation with the Secretariat Chief Executive, will propose an agenda. It will be circulated to Board members for comment at least one month before the Board meeting. Any Board Member may propose an agenda item by writing to the Chair. The final agenda will be circulated with Board materials approximately two weeks in advance of the meeting, as set out in 3.2.10.

3.2.3 Considering Last-minute Agenda Issues
Although it is preferable to finalize the agenda two weeks before the meeting it is acceptable to present an agenda amendment at the Board meeting. Unless agreed otherwise by consensus the new item will be added to the end of the agenda under “Any Other Business” and addressed if time permits. If the new item warrants particular attention earlier in the agenda this must be agreed by consensus by the Board.

3.2.4 Conducting Meetings
The Chair shall preside at Board meetings.

A Board meeting will not be held unless there is a quorum present. “Quorum” is defined as 9 (nine) Board members in person or by telephone link, which includes the Chair and Chief Executive, at the time of the meeting. If the Chair is not present 30 minutes after the time set for the meeting, or it is known that the Chair will not be able to attend, the meeting can still be held under the following conditions: if the Board Members present comprise a quorum, they may hold the meeting with the Vice Chair (see 3.2.8) presiding or appoint amongst themselves a Member to chair the meeting.

If items or circumstances that are not covered in these Rules and Procedures should arise at a meeting, then the Board is free to determine an appropriate course of action.

3.2.5 Proposing and Passing Resolutions
Any Board member or the Chief Executive may propose a resolution. All resolutions must be seconded by another Board member.

It is the Board’s goal to pass resolutions by consensus. Following discussion of the resolution, if applicable, the Chair must determine if there is significant consensus before calling the resolution to a voice vote.

Amendments to resolutions being considered are acceptable but must be seconded by another Board member.
The Chair will endeavor to bring the Board to consensus, and each Board member will employ his/her best effort to come to a consensus (e.g., by means of amendments), but at some stage the Chair must decide whether further efforts would be productive or futile. The Chair, or 5 Board members, can call for a vote to be taken.

When a resolution is to be determined by a vote, a simple majority of the full Board (i.e., not just those in attendance) is required to pass the resolution. When the vote concerns a matter of principle, the vote shall be a show of hands or by open ballot and the votes recorded. When voting concerns a matter of a person or persons (e.g., appointment), such vote must be by secret ballot and the Chair shall employ an independent scrutinizer. If there is no challenge to the ballot results by the time that Board meeting terminates, the ballot papers shall be destroyed.

When a Member casts a vote, s/he may state reasons and such reasons shall be noted. A Board member may also wish to abstain from a vote.

If a Board member cannot attend a meeting and has an interest in submitting a vote despite their absence, s/he can provide written authorization to another Board member to act as a representative. The authorization must state the resolution(s) upon which the absent Board member wishes to submit a vote and must state the actual vote.

As much as possible, simple and clear language should be used in the wording of resolutions. Resolutions shall be numbered and named according to the following format: Year: sequential number starting with 01: short title.

3.2.6 Executive Session
Following the open portion of the Board meeting, a closed executive session may be held if necessary. Only Directors and the Chief Executive can attend the executive session. Like the open portion of the Board meeting minutes must be taken during the executive session.

The Chair calls an executive session if any of the following matters needs to be discussed:

- Secretariat employee remuneration and/or performance assessment
- Any other matter so deemed by the Chair as confidential

The Chair should provide an explanation why certain business needs to be transacted in an executive session. If the attendance of any member of the Board, including the Chief Executive, at the executive session would put him/her in a conflict of interest due to the subject matter he/she should not attend.

3.2.7 Attendance and Representation
Board members should make their best effort to attend all Board meetings. If the absence of a Board member at meetings becomes an issue of concern, then the Chair should confer with the absent member to determine a corrective course of action.

A Board member is not permitted to have a representative or another Board member to serve in his/her role generally at Board meetings or for other Board matters, except in
the case of specific votes as described in 3.2.5. Absent members can submit formal written opinions on agenda items for reading by the Chair at the meeting.

Members who are unavoidably absent should send in their written views preferably before the meeting so her/his views can be made known, recorded and taken into account by those present when making decisions. Members are encouraged to phone in and take part in discussions, particularly when they may have contrary views.

### 3.2.8 Vice Chairperson

A Vice Chairperson will be chosen by the Board at the final meeting of the year, to serve in the event the Chair cannot attend to matters at any point during the next year. The Vice Chairperson does not automatically become the next Chair upon retirement or incapacity of the existing Chair.

### 3.2.9 Role of Chief Executive and Secretariat Staff

The Chief Executive attends Board meetings to present resolutions and background on discussion items, and to voice opinion on issues up for vote. The Chief Executive has no vote when discussing and passing resolutions.

At minimum, one Secretariat staff member other than the Chief Executive will attend Board meetings to take notes. Other Secretariat staff members may attend to present and address discussion items, or attend to logistical matters.

No Secretariat members attend the executive session of the Board meeting.

### 3.2.10 Adequate Notice of Meetings

For preparation purposes the following materials should be distributed to Board members in a timely fashion, preferably two weeks before each Board meeting:

- Final Agenda containing the exact wording of resolutions to be passed
- Information about issues for discussion
- Identification of actions needed by the Board
- Financial information
- Committee reports

### 3.2.11 Meeting Minutes

A Secretariat staff member will attend all meetings of the Board, including Committee meetings, to take notes. Meeting minutes will be approved via electronic communications as expeditiously as possible, with a target of within two weeks of the meeting.

Meeting minutes will describe what was discussed and what was agreed. Minutes will not be a verbatim transcription of a meeting.

Board resolutions will be posted on the GRI website.

### 3.2.12 Intervening Meetings

In the event that a full Board meeting is required between regularly scheduled meetings it shall be conducted in one of the following ways (in order of preference):
Decisions will be made in the same manner as at regular Board meetings. To ensure timely resolution of Board matters, adequate notice of intervening meetings might not meet the two-week target. However, relevant meeting materials should be distributed as expeditiously as possible.

### 3.2.13 Conflict of Interest Statement
All Directors must sign the Conflict of Interest Statement, which can be found in Appendix B. This signed statement must be submitted annually. This statement is intended to supplement but not replace any laws governing conflict of interest applicable to non-profit organizations.

At any time, if a Director realizes that he/she has or may have a position of conflict, he/she must immediately bring this to the attention of the Chair who will then decide on the appropriate course of action.

### 3.3 Reimbursement of Meeting Expenses
All GRI governance bodies, including the Board of Directors, apply the GRI Travel Policy for the reimbursement of meeting expenses.

### 4. Relations with other Governance Bodies

#### 4.1 General

**4.1.1 Communications**
Notice shall be given when actions are taken by any of the governance bodies mentioned in this section that affect any other body. Communications should occur between chairs of bodies.

**4.1.2 Attendance at Meetings**
Chairs of governance bodies can invite members (chairs and regular members) of other governance bodies to attend meetings of their respective governance body.

#### 4.2 Secretariat

**4.2.1 Chief Executive**
As specified in other sections of these Rules and Procedures, the Chief Executive whilst attending Board meetings other than those executive sessions in which he/she has a conflict, assists in determining the agenda and can propose resolutions.

- The Chief Executive must consult the Finance, Audit and Remuneration Committee on management decisions that are material
to GRI’s financial management and not included in the approved annual budget. For these purposes material is if the total commitment is more than € 25,000 gross.

The Chief Executive must present an annual work plan and budget for the succeeding year for approval no later than the final Board meeting of the fiscal year. The Chief Executive reports at each Board meeting any progress of the Technical Advisory Council and working groups. The Chief Executive and the Chair report together annually to the Stakeholder Council.

The Chief Executive is hired by the Board through a process developed by the Chief Executive Search Committee of the Board.

4.2.2 Other Staff
Secretariat staff members interact with the Board through the following channels:

- as liaisons to Board committees
- when coordinating Board member participation in external events

Direct communications between Board members and Secretariat staff members is acceptable if the Chief Executive is notified (e.g., copied).

4.3 Stakeholder Council

4.3.1 General Relations - Accountability
To demonstrate that it has discharged its stewardship properly the Board must present the annual report and sustainability report of the GRI to the Stakeholder Council at its annual general meeting.

The Stakeholder Council makes broad strategic recommendations to the Board, and advises on the CE objectives and Guidelines revision process. Such advice can be solicited by the Board or be provided unsolicited but should be provided in writing. Recommendations to the Board on the Guidelines revisions must be in a concur or non-concur form.

Based on recommendations from the GRI Nominating Committee, the Stakeholder Council elects the Board of Directors. If the Stakeholder Council does not accept the recommendations of the GRI Nominating Committee in its entirety it must propose an alternate course of action and put the matter back into the hands of the GRI Nominating Committee.

4.3.2 Extraordinary General Meetings
The Board may request an Extraordinary General Meeting to consider issues of significant import (e.g., expulsion of a Board member – see 2.3), or matters in which the Stakeholder Council has an advisory capacity. An Extraordinary General Meeting should only be called if the matter cannot wait to be considered at the regular general meeting. An Extraordinary General Meeting can be held via conference call or through electronic communications.
4.4 GRI Nominating Committee

4.4.1 Appointment of GRI Nominating Committee Members
The Board appoints two members (2) of the GRI Nominating Committee, further two (2) members are appointed by the Stakeholder Council. The Chair of the GRI Board and the Chair of the Stakeholder Council serve as additional voting member of the GRI Nominating Committee as does the Chair of the TAC when discussing TAC nominations. Appointment is made at the first Board meeting of the calendar year. Board members can be nominated for consideration by the outgoing Nominating Committee for appointment to the subsequent Nominating Committee. Open nominations, including self nomination, can also occur at the Board meeting that addresses Nominating Committee appointments. The Board must approve their portion of the Nominating Committee through the normal resolution process. Board members serve on the Nominating Committee concurrent with their Board membership term. See the R&P for the GNC for more details.

4.4.2 Selecting Board Members
The GRI Nominating Committee shall follow the process for identifying and proposing Board members as set out in the Rules and Procedures for the GRI Nominating Committee. Approval of the slate of recommended Board members occurs at the annual general meeting of the Stakeholder Council.

4.5 Technical Advisory Council

4.5.1 Selection
The GNC proposes a slate of nominees to the Board, and the Board will decide, by consensus, for or against the complete slate (as stated in the GNC Rules and Procedures). The TAC should consist of 10-15 experts and strives to cover the following areas of expertise and geographic regions:

- Environment; human rights; economics and finance; labor rights; accounting/verification/reporting
- Africa; Asia/Pacific; Europe/North America; Latin America/Caribbean; West Asia

A TAC member can cover representation for both an area of expertise and geographic region.

The Board appoints TAC members for a three-year term. The number of membership terms is not limited.

The Board shall appoint the Technical Advisory Committee chairperson. The chairperson is appointed for not more than two (2) terms of two (2) years and will not be constrained by time previously completed as a Technical Advisory Committee member.
4.5.2 General Relations
Recommendations from the TAC to the Board on the Guidelines revisions must be in a concur or non-concur form. This and any other communications to the Board should be provided in writing.

5. External Relations

5.1 Official Working Language

The official working language of the Board is English. All communications will be prepared in English.

5.2 Confidential Matters

The following are considered confidential issues of the Board and cannot be discussed externally (verbally or in written form):

- Board member assessment
- Legal matters
- Secretariat employee remuneration and performance assessment
- Any other matter declared by the Chair to be of a confidential nature

5.3 Role of Board Members Externally

5.3.1 Designated Spokespersons

The Chair and Chief Executive are the designated GRI spokespersons. They will provide official GRI input on matters with media, governments and other stakeholders requiring formal input. This authority can be delegated as specified in 3.1.2.

5.3.2 Interactions with Stakeholders

Board members are free to speak with the media, government, and other stakeholders about non-confidential Board and GRI matters but must clearly explain that s/he does not speak on behalf of the Board. Unless specifically authorized and prepared, if pressed for a GRI view, especially if there is no official line to take, then the enquiry should be directed to either the Chair or the Chief Executive.

If for any reason a Board member is unable to support a consensus-based decision externally, s/he must give prior notice to the Chair.

4.4 Board Resolutions

Board resolutions are posted on the GRI website.
APPENDIX A

Position Descriptions for Board Members and Chair

Duties of Board Members

- Regularly attend scheduled meetings and conference calls
- Participate on committees and working groups
- Attend special events as possible
- Buy into organization’s mission, services, policies and programs
- Review agenda and supporting materials prior to Board and committee meetings
- Recognize and value in-kind contributions of Directors
- Assist in fundraising
- Follow conflict of interest and confidentiality policies
- Refrain from making personal and unwarranted requests of the Secretariat staff; and
- Assist the Board in carrying out its fiduciary responsibilities, such as reviewing the organization’s annual financial statements
- Act in good faith
- Disclose all relevant information to the Board
- Uphold and practice of good governance

Duties of Board Chair

- Consult with Chief Executive in preparation of agenda for Board meetings
- Chair Board meetings
- Provide guidance to the Board regarding good governance practices, in conformance with the organization’s bylaws and established policies
- Ensure that all Board members are enabled, encouraged to participate fully, and collectively are in full control of the organization’s affairs
- Ensure that Board members receive timely, relevant information tailored to their needs, and that they are briefed properly on agenda items and other issues that may arise at Board meetings
- Provide guidance and help to mediate Board actions with respect to organizational priorities and governance concerns
- Ensure that the separation of the Board’s and Chief Executive staff’s function is maintained
- Assist in the organization’s fundraising/development programs
- Monitor financial planning and reports
- Evaluate annually the organization’s performance in carrying out its mission
- Serve as GRI representative in relations with governmental agencies, non-governmental organizations, business, and the environmental, labor, and social advocacy communities
- Is a key external face and voice of GRI
APPENDIX B

Conflict of Interest Policy and Statement

In general, GRI does not engage Directors in the capacity of paid consultants. However, an exception to this policy will be considered when such a contractual agreement is deemed to be in the best economic or programmatic interest of the organization. If such a case were to arise, GRI would implement the following process:

- the Chief Executive will prepare a memorandum specifying the reasons why GRI should engage the Director as a consultant;
- the Board of Directors will review this memorandum at the next scheduled Board meeting or special meeting; and
- the Director involved will recuse her/himself from the Board’s discussion of the memorandum.

This process is designed to encourage transparency rather than constrain daily or timely operations. Therefore, if a situation arises in which the Chief Executive needs to act expeditiously, the Chief Executive would seek input from the Executive Committee and then proceed. Subsequently, and in the spirit of full disclosure, the Chief Executive would report these special circumstances to the Board.

All directors are asked to sign the Conflict of Interest Statement, which can be found in the appendix. This signed statement must be submitted annually at the first meeting.

Purpose
The purpose of the conflict of interest policy is to protect the GRI’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director of the GRI. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest applicable to non-profit and charitable associations.

Definitions
1. Interested Person

Any director who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity of which the GRI is a part, he or she is an interested person with respect to all such entities.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- an ownership or investment interest in any entity with which the GRI has a transaction or arrangement, or
- a compensation arrangement with the GRI or with any entity or individual with which the GRI has a transaction or arrangement, or
- a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the GRI is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favours that are substantial in nature.

**Procedures**

1. **Duty to Disclose**

   In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the Board and members of committees considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists**

   After disclosure of the financial interest, the interested person shall leave the Board or committee meeting while the financial interest is discussed. The remaining Board or committee members shall decide if a conflict of interest exists.

3. **Procedures for Addressing the Conflict of Interest**

   a. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
   
   b. After exercising due diligence, the Board or committee shall determine whether the GRI can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
   
   c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by consensus of the disinterested directors whether the transaction or arrangement is in the GRI’s best interest and for its own benefit and whether the transaction is fair and reasonable to the GRI and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. **Violations of the Conflict of Interest Policy**

   a. If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
   
   b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
Records or Proceedings
The minutes of the Board and all committees shall contain –

a. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board’s or committee’s decision as to whether a conflict of interest in fact existed.

b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Annual Statements
Each director shall annually sign the statement below:

Conflict of Interest Statement
I have read and am familiar with GRI’s policy concerning conflicts of interests, and I have initialed the appropriate paragraph below.

• During the year ___________ neither I nor, to the best of my knowledge, any member of my family has had an interest or taken any action which could contravene this policy.

• During the year ___________ neither I nor, to the best of my knowledge, any member of my family has had any interest in or taken any action which would contravene this policy, except such interest or action which is fully disclosed below:

Board Member's signature ___________________________ Date ____________________________

Board Member's name ____________________________