



## 1 Ends:Worldwide Board Benefit

Rev Date 6/10/2016 Rev No 9 Ref No 641186

Around the world, increasing numbers of boards benefit from Policy Governance(R), or an equally effective and accountable system of governance, at a cost that demonstrates wise stewardship of resources. Further,

### 1.1 Ability to Assess Consistency with Policy Governance

Rev Date 6/10/2016 Rev No 2 Ref No 641193

Boards are able to assess whether any governance practice or advice is consistent with the Policy Governance system.

#### 1.1.1 Resources for Continuous Improvement

Rev Date 6/9/2016 Rev No 2 Ref No 641204

Boards have access to resources that support continuous improvement in practical applications of the system and the effective general functioning of governing boards.

#### 1.1.2 Learning from Other Systems and Approaches

Rev Date 6/9/2016 Rev No 2 Ref No 641198

Boards learn from, and dialogue about, other systems of, and approaches to, owner-accountable governance.

### 1.2 Policy Governance Awareness

Rev Date 5/28/2016 Rev No 2 Ref No 641192

Owners, boards, and senior executives are aware of Policy Governance and the evidence for its effectiveness, and value the importance of model-consistent implementation.

#### 1.2.1 Effective Use and Sharing of Policy Governance

Rev Date 5/28/2016 Rev No 2 Ref No 641201

Owners, boards, and senior executives are equipped to effectively use the Policy Governance system and share their experience.

## 2 Governance Process

Rev Date 6/9/2016 Rev No 5 Ref No 641174

The purpose of the board, on behalf of the proponents of good governance, who are committed to Policy Governance and other advanced, owner-accountable governance systems, is to see to it that the International Policy Governance Association

(a) achieves appropriate results for appropriate persons at an appropriate cost, and

(b) avoids unacceptable actions and situations.

## 2.1 Governing Style

Rev Date 6/9/2016 Rev No 7 Ref No 641207

The board will govern lawfully and consistently with the principles of Policy Governance, with an emphasis on:

- (a) outward vision rather than internal preoccupation,
- (b) encouragement of diversity in viewpoints,
- (c) clear distinction of board and executive roles, (even when the latter are performed by board members)
- (d) collective rather than individual decisions,
- (e) future rather than past or present, and
- (f) proactivity rather than reactivity.

### 2.1.1 Group Responsibility

Rev Date 2/16/2010 Rev No 2 Ref No 229186

The board will cultivate a sense of group responsibility. The board will initiate policy, rather than merely reacting to others' proposals. The board will not use the expertise of individual members to substitute for the judgement of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.

### 2.1.2 Written Policies

Rev Date 4/9/2006 Rev No 1 Ref No 7990

The board will direct, control and inspire the Association through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long-term external impacts of the Association.

#### 2.1.2.1 Vision

Rev Date 4/19/2013 Rev No 1 Ref No 448664

The Ends of IPGA are derived from a wider vision of owner-accountable productive organizations that was created at the October 1999 Policy Governance Think Tank and further expressed as follows:

- a) Governance subscribes consistently to high standards of excellence as described in Policy Governance
- b) Owners value boards as democratic servant leaders - articulating values and providing accountability
- c) People are enthusiastic about serving on and under boards
- d) Societal systems support good governance
- e) Intended organizational results are efficiently and effectively produced

### 2.1.3 Board Discipline

Rev Date 4/9/2006 Rev No 1 Ref No 7999

The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the board can change its governance process policies at any time, it will observe them scrupulously while in force.

### 2.1.4 Board Development

Rev Date 4/9/2006 Rev No 1 Ref No 8008

Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.

#### 2.1.4.1 Orientation of New Board Members

Rev Date  
5/31/2006

Rev No  
1

Ref No  
25335

Orientation of new board members will include: an introduction to the organization, an introduction to board members and the CEO, an orientation to the governance model and governance processes.

#### 2.1.4.2 Board's Plan for Model Consistency

Rev Date  
1/3/2015

Rev No  
3

Ref No  
551961

We believe that the spread of Policy Governance® requires us to uphold standards of model consistency in all our activities and outputs and will seek to develop and sustain such standards in all our work and the work of others.

Our plans are as follows:

1. All new board members to take PG 360 test and achieve a passing score of at least 95%
2. IPGA's full policy set to be sent to the Authoritative Source for comment every December.
3. Samples of IPGA monitoring reports and related board minutes to be sent to the Authoritative Source for comment every December.
4. Board member refresher training session to be held each year with the Authoritative Source or their designates.
5. In-year board queries re model consistency to be addressed to the Authoritative Source through the IPGA Executive Director and queries and responses to be published on IPGA website.
6. All board Ends and Executive Limitations policies related to model consistency in all IPGA's activities and outputs to be monitored according to the board's regular monitoring schedule.

#### 2.1.5 Fulfillment of Commitments

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8017

The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling its commitments.

### 2.2 Board Job Description

Rev Date  
6/9/2016

Rev No  
7

Ref No  
641210

Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the board has direct responsibility to create:

#### 2.2.1 Ownership to Organization Link

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8134

The link between the ownership and the operational organization.

#### 2.2.2 Written Governing Policies

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8143

Written governing policies which address the broadest levels of all organizational decisions and situations.

##### 2.2.2.1 Ends

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8152

Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).

##### 2.2.2.2 Executive Limitations

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8161

Executive Limitations: Constraints on executive authority, which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

<b>2.2.2.3 Governance Process</b>	Rev Date 4/9/2006	Rev No 1	Ref No 8170
Governance Process: Specification of how the board conceives, carries out and monitors its own task.			
<b>2.2.2.4 Board-Management Delegation</b>	Rev Date 8/12/2011	Rev No 4	Ref No 322969
How power is delegated and its proper use monitored; the authority and accountability of the CEO.			
<b>2.2.3 Organizational Performance</b>	Rev Date 2/16/2010	Rev No 2	Ref No 229189
Assurance of effective organizational performance.			
<b>2.3 Agenda Planning</b>	Rev Date 4/9/2006	Rev No 1	Ref No 8197
To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda which (a) completes a re-exploration of Ends policies annually and (b) continually improves board performance through board education and enriched input and deliberation.			
<b>2.3.1 Agendas Per Planning Cycle</b>	Rev Date 4/9/2006	Rev No 1	Ref No 8206
Agendas for the board's meetings are as per the annually agreed Board Planning Cycle.			
<b>2.3.2 Ad Hoc Issues</b>	Rev Date 4/26/2010	Rev No 1	Ref No 8215
Ad hoc issues may be raised to the CGO by board members at any time.			
<b>2.3.3 Agenda Items Notice</b>	Rev Date 4/26/2010	Rev No 1	Ref No 8224
Board members will notify the CGO in advance of the meeting if they wish additional items to be on the agenda.			
<b>2.4 CGO's Role</b>	Rev Date 4/26/2010	Rev No 1	Ref No 8233
The CGO assures the integrity of the board's process and, secondarily, occasionally represents the board to outside parties.			
Accordingly:			
<b>2.4.1 Assigned Result</b>	Rev Date 4/26/2010	Rev No 1	Ref No 8242
The assigned result of the CGO's job is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.			
<b>2.4.1.1 Meeting Content</b>	Rev Date 4/9/2006	Rev No 1	Ref No 8251
Meeting discussion content will be on those issues which, according to board policy, clearly belong to the board to decide or monitor.			
<b>2.4.1.2 Deliberation Criteria</b>	Rev Date 4/9/2006	Rev No 1	Ref No 8269
Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.			

## 2.4.2 CGO Authority

Rev Date 3/12/2012  
Rev No 2  
Ref No 361978

The authority of the CGO consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of a CEO and (b) where the board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.

### 2.4.2.1 Meeting Authority

Rev Date 4/26/2010  
Rev No 1  
Ref No 8287

The CGO is empowered to chair board meetings with all the commonly accepted power of that position (e.g. ruling and recognizing).

### 2.4.2.2 Authority Limits

Rev Date 3/12/2012  
Rev No 2  
Ref No 361979

The CGO has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore the CGO has no authority to supervise or direct the CEO .

### 2.4.2.3 Representing the Board

Rev Date 4/26/2010  
Rev No 1  
Ref No 8305

The CGO may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within his or her authority.

### 2.4.2.4 Delegation of Authority

Rev Date 4/26/2010  
Rev No 1  
Ref No 8314

The CGO may delegate his or her authority, but remains accountable for its use.

## 2.5 Secretary's Role

Rev Date 11/9/2016  
Rev No 3  
Ref No 677389

The Secretary assures the integrity and accuracy of the board's documents, including association bylaws, board policies, and minutes documenting board decisions and due diligence.  
Therefore:

### 2.5.1 Secretary's Authority

Rev Date 4/9/2006  
Rev No 1  
Ref No 8332

The Secretary has authority to make any reasonable interpretation of the board's policies on these matters.

## 2.6 Board Member's Code of Conduct

Rev Date 4/9/2006  
Rev No 1  
Ref No 8341

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

### 2.6.1 Loyalty

Rev Date 8/25/2014  
Rev No 2  
Ref No 521838

Board members must have loyalty to the ownership, unconflicted by loyalties to any particular constituency, other organizations, and any personal interest as a member of IPGA..

## 2.6.2 Exercise of Powers

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8359

Board members are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## 2.6.3 Conflict of Interest

Rev Date  
6/15/2010

Rev No  
1

Ref No  
8368

Board members must avoid conflict of interest with respect to their fiduciary duty.

### 2.6.3.1 Member Relationships

Rev Date  
12/13/2016

Rev No  
2

Ref No  
692601

When the Board considers an issue about which a board member has a potential or perceived conflict of interest, that member will disclose the conflict and offer to withdraw from the discussion and vote.

### 2.6.3.2 Personal and Business Relationships

Rev Date  
6/15/2010

Rev No  
1

Ref No  
249025

Board members will not allow personal or business relationships with the CEO or other board members to supersede or in any other way interfere with the business of the Association.

### 2.6.3.3 Disclosure of Business

Rev Date  
12/13/2016

Rev No  
2

Ref No  
692602

There will be no self-dealing or business by a board member or immediate family members (parents, spouse, siblings, children) with the organisation as a result of their position on the board. The only exception to this is when procedurally controlled to assure openness, competitive opportunity, and equal access to otherwise "inside" information, and where there are no other acceptable resources available. Board members will annually disclose their involvements within the organization, with other organisations, with providers, or any associations which might be or might reasonably be seen as being a conflict.

### 2.6.3.4 Prior Disclosure

Rev Date  
8/25/2014

Rev No  
1

Ref No  
521840

Prior to election to the IPGA board, a prospective board member shall be informed of this policy and complete the Conflict of Interest Declaration.

## 2.6.4 Individual Authority

Rev Date  
3/12/2012

Rev No  
2

Ref No  
361980

Board members may not attempt to exercise individual authority over matters delegated to the CEO.

## 2.6.5 Confidentiality

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8395

Board members will respect the confidentiality appropriate to issues of a sensitive nature.

## 2.6.6 Email Contact

Rev Date  
4/9/2006

Rev No  
1

Ref No  
8404

Board members will be expected to maintain an accessible email account and be responsive. Board members shall notify the board if they will be out of email communication for a week or more.

<p><b>2.6.7 Meeting Preparedness</b></p> <p>Board members will be properly prepared for board meetings.</p>	<p>Rev Date 6/15/2010</p>	<p>Rev No 1</p>	<p>Ref No 249026</p>
<p><b>2.6.8 Authority of Decisions</b></p> <p>Board members will respect the authority of the decisions of the Board.</p>	<p>Rev Date 6/15/2010</p>	<p>Rev No 1</p>	<p>Ref No 249027</p>
<p><b>2.7 Board Committee Principles</b></p> <p>Standing or Ad hoc Committees will be used minimally in order to preserve the wholeness of the board's work and in any case these groups shall not be used to interfere with delegation from the board to the CEO.</p>	<p>Rev Date 6/15/2010</p>	<p>Rev No 1</p>	<p>Ref No 8413</p>
<p><b>2.7.1 Committee Authority</b></p> <p>Board Committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.</p>	<p>Rev Date 4/9/2006</p>	<p>Rev No 1</p>	<p>Ref No 8422</p>
<p><b>2.7.2 Committee Function</b></p> <p>Board Committees are to help the board to do its job, not to help the CEO do jobs that have been delegated.</p>	<p>Rev Date 3/12/2012</p>	<p>Rev No 2</p>	<p>Ref No 361981</p>
<p><b>2.8 Cost of Governance</b></p> <p>The board will determine an annual budget for its own direct expenses associated with work done by the full board and any of its associated standing or ad hoc committees no later than 90 days prior to the beginning of the next fiscal year.</p>	<p>Rev Date 5/15/2011</p>	<p>Rev No 2</p>	<p>Ref No 304779</p>
<p><b>2.8.1 Direct Expenses</b></p> <p>Direct expenses are defined as the costs associated with making governance decisions e.g. meeting costs, board members' expense reimbursement, external room hire, refreshments, legal advice, governance consultant fees, audit and other third-party monitoring of performance, ownership linkage mechanisms and orientation, training and education of board members.</p>	<p>Rev Date 4/9/2006</p>	<p>Rev No 1</p>	<p>Ref No 8449</p>
<p><b>2.8.1.1 Expense Reimbursement</b></p> <p>Board members will be reimbursed for actual, necessary and reasonable expenses incurred in their duties up to the amount allocated to them in the annual governance budget adopted by the board.</p>	<p>Rev Date 3/12/2012</p>	<p>Rev No 2</p>	<p>Ref No 361982</p>
<p><b>2.9 Linkage with Ownership</b></p> <p>The Board governs The International Policy Governance Association in the interests of its moral ownership: the proponents of good governance who are committed to understanding and developing the principles of Policy Governance as defined by the most current published version of the Source Document. The Board is committed to actively linking with its ownership to provide accountability and to inform its policies.</p>	<p>Rev Date 12/16/2012</p>	<p>Rev No 6</p>	<p>Ref No 424602</p>

<b>2.9.1 Member Input</b>	<b>Rev Date</b> 7/12/2011	<b>Rev No</b> 3	<b>Ref No</b> 316947
The Board will obtain members' and potential members' values concerning Ends and Executive Limitations.			
<b>2.9.2 Informing Membership</b>	<b>Rev Date</b> 4/12/2010	<b>Rev No</b> 2	<b>Ref No</b> 230806
The Board will inform owners about the Board's governance work.			
<b>2.10 Governance Evaluation</b>	<b>Rev Date</b> 1/14/2012	<b>Rev No</b> 4	<b>Ref No</b> 346643
The board will monitor and regularly discuss its own process and performance, including a comparison of board activity and discipline with its Governance Process and Board-Management Delegation policies.			
<b>2.11 Linkage with Authoritative Source</b>	<b>Rev Date</b> 4/12/2013	<b>Rev No</b> 6	<b>Ref No</b> 448417
The Board will honour the commitment with John Carver to use the Policy Governance service mark and will maintain a relationship with the Authoritative Source for the purpose of preserving the integrity of the Policy Governance model and maintaining consistency with the principles.			
<b>2.11.1 Recognition of Authoritative Source</b>	<b>Rev Date</b> 3/22/2010	<b>Rev No</b> 2	<b>Ref No</b> 230809
The board recognizes John and Miriam Carver as the Authoritative Source.			
<b>2.11.2 Authoritative Source Succession</b>	<b>Rev Date</b> 12/1/2014	<b>Rev No</b> 4	<b>Ref No</b> 547979
The board recognizes that John and Miriam Carver have the exclusive right to designate an alternative Authoritative Source, and the Board commits to recognizing any such designee to the extent that the designee rightfully owns the intellectual property and royalty entitlements.			
<b>2.11.3 Registered Mark</b>	<b>Rev Date</b> 3/22/2010	<b>Rev No</b> 2	<b>Ref No</b> 230811
The board recognizes the "®" designation as a protection intended to maintain the integrity of the model, belonging to the Authoritative Source. Additionally, the Board recognizes that the use of the Policy Governance name is conditional, based on how the Board practices integrity to the principles.			
<b>2.11.4 Support of Model Integrity</b>	<b>Rev Date</b> 4/9/2006	<b>Rev No</b> 1	<b>Ref No</b> 8080
The board commits itself to supporting the integrity of the model as described by the Authoritative Source.			
<b>2.11.5 Authoritative Source Dialogue</b>	<b>Rev Date</b> 12/1/2014	<b>Rev No</b> 2	<b>Ref No</b> 547980
The board commits to engaging in ongoing dialogue with the Authoritative Source at least annually.			



## 2.12 Governance Succession

Rev Date 6/9/2016 Rev No 5 Ref No 641189

In keeping with the board's commitment to excellence in governance, the board shall actively solicit for positions on the board, candidates who offer the membership a range of perspectives and backgrounds and who have characteristics that will enable them to govern effectively:

- understanding and commitment to the role of trustee, fidelity to the ownership and commitment to the general mission area
- propensity to think in terms of systems and context
- ability and eagerness to deal with values, vision and the long-term-ability and willingness to participate assertively in deliberation and abide by the intent of established policies
- willingness to share power in group process, and to delegate areas of decision-making to staff.

## 2.13 Board Committee Structure

Rev Date 5/23/2014 Rev No 1 Ref No 512217

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

### 2.13.1 IPGA Awards Committee

Rev Date 5/23/2014 Rev No 1 Ref No 512218

A. Product: Coordination of IPGA Award program. Submission of recommended award recipients for consideration of the board at its May meeting.

B. Authority: To incur costs of no more than \$1,000 direct charges and no more than 10 hours of staff time.

## 3 Global Governance - Management Connection

Rev Date 6/9/2016 Rev No 6 Ref No 641177

The board's sole official connection to the operational organization, its achievements and conduct will be through a CEO, titled Chief Executive Officer.

### 3.1 Unity of Control

Rev Date 9/4/2011 Rev No 3 Ref No 326542

Only officially passed motions of the board that make or amend Executive Limitations or Ends policies are binding on the CEO.

Accordingly:

#### 3.1.1 Authority of Individuals over the CEO

Rev Date 9/4/2011 Rev No 1 Ref No 326540

Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such exercise of authority.

#### 3.1.2 Requests for Information

Rev Date 9/4/2011 Rev No 1 Ref No 326541

In the case of board members or committees requesting information or assistance without board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive.

### 3.2 Accountability of the CEO

Rev Date 1/14/2012  
Rev No 2  
Ref No 346651

The CEO is the board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.

Accordingly:

#### 3.2.1 Board Authority over Staff

Rev Date 9/4/2011  
Rev No 1  
Ref No 326543

The board will never give instructions to persons who report directly or indirectly to the CEO.

#### 3.2.2 Board Evaluation of Staff

Rev Date 9/4/2011  
Rev No 1  
Ref No 326544

The board will not evaluate, either formally or informally, any staff other than the CEO.

#### 3.2.3 CEO Performance

Rev Date 9/4/2011  
Rev No 1  
Ref No 326545

The board will view CEO performance as identical to organizational performance, so that organizational accomplishment of board stated Ends and avoidance of board proscribed means will be viewed as successful CEO performance.

### 3.3 Delegation to the CEO

Rev Date 7/9/2011  
Rev No 1  
Ref No 316857

The board will instruct the CEO through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

#### 3.3.1 Ends Instructions to CEO

Rev Date 7/9/2011  
Rev No 1  
Ref No 316858

The board will develop policies instructing the CEO to achieve specified results, for specified recipients at a specified relationship between cost and results. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues as defined above are Means issues.

#### 3.3.2 Board Proscription of CEO Means

Rev Date 7/9/2011  
Rev No 1  
Ref No 316859

The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the board, even if they were to be effective. These policies will be developed systematically from the broadest, most general level to more defined levels; they will be called Executive Limitations policies. The board will never prescribe organizational means of the CEO.

- a. Below the global level, a single limitation at any given level does not limit the scope of any foregoing level.
- b. Below the global level, the aggregate of limitations on a given level may embrace the scope of the foregoing level, but only if justified by the CEO to the board's satisfaction.

### 3.3.3 Any Reasonable Interpretation

Rev Date 7/9/2011 Rev No 1 Ref No 316860

As long as the CEO uses any reasonable interpretation of the board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CEO shall have full force and authority as if decided by the board.

### 3.3.4 Respect and Support for CEO Choices

Rev Date 7/9/2011 Rev No 1 Ref No 316861

The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and CEO domains. By doing so, the board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the board will respect and support the CEO's choices.

## 3.4 Monitoring CEO Performance

Rev Date 7/9/2011 Rev No 1 Ref No 316862

Systematic and rigorous monitoring of CEO performance will be solely against the board's required CEO job outputs: organizational accomplishment of any reasonable interpretation of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations, reasonably interpreted.

Accordingly:

### 3.4.1 Relevant Information

Rev Date 10/9/2012 Rev No 2 Ref No 397180

Monitoring is simply to determine whether or not expectations expressed in board policies have been met. Information that does not disclose this will not be considered to be monitoring information and will not be considered by the board to be a part of the monitoring report.

### 3.4.2 CEO Interpretations

Rev Date 10/9/2012 Rev No 2 Ref No 397181

The board will obtain disclosure about the CEO's interpretations of the board policy being monitored from the CEO himself or herself, including as part of the interpretation a) an operational definition of accomplishment of board Ends policies or compliance with the Executive Limitation policy being monitored, and b) a rationale or justification for the operational definition.

### 3.4.3 Board Sources of Monitoring Data

Rev Date 7/9/2011 Rev No 1 Ref No 316865

The board will obtain data disclosing whether or not the CEO's interpretations have been accomplished using one or more of three methods: (a) by internal report, in which the CEO discloses the data to the board; (b) by external report, in which an external, disinterested third party selected by the board collects the data; and (c) by direct inspection, in which data are collected by the board, a designated board member or by designated board members.

### 3.4.4 Reasonableness of Interpretation

Rev Date 7/9/2011 Rev No 1 Ref No 316866

In every case, the board will determine: (a) the reasonableness of the CEO's interpretations, using a "reasonable person test" rather than with interpretations favored by board members or the board as a whole. The board is the final arbiter of reasonableness. The board will also assess: (b) whether data demonstrate the accomplishment of the interpretation.

### 3.4.5 Monitoring Schedule

Rev Date 1/14/2012 Rev No 3 Ref No 346656

All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will normally use a routine schedule.

'Yearly Monitoring Schedule'.

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See attachment

### 3.5 Executive Compensation

Rev Date 5/10/2016 Rev No 7 Ref No 692656

The Board shall hire a CEO

#### 3.5.1 Executive Compensation

Rev Date 5/10/2016 Rev No 8 Ref No 692657

If the CEO substantially achieves Ends and complies with Executive Limitations, and there is a year-end surplus, the Board will consider a year-end honorarium

##### 3.5.1.1 Executive Compensation

Rev Date 5/10/2016 Rev No 1 Ref No 692658

Until the long-term reserve achieves the board-approved value of six months of operating expenses (approximately \$25,000), the Board shall consider a year-end CEO honorarium of a value up to 25% of the achieved surplus.

### 4 Global Executive Constraint

Rev Date 6/9/2016 Rev No 7 Ref No 641180

The CEO will not cause or allow any organizational practice, activity, decision, or circumstance which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics and practices, or insensitive to the international nature of the association.

#### 4.1 Emergency CEO Succession

Rev Date 11/17/2013 Rev No 6 Ref No 484704

In order to protect the organization from sudden loss of CEO services, the CEO will not allow the board to be without the information needed to operate the organisation.

#### 4.2 Asset Protection

Rev Date 11/9/2016 Rev No 4 Ref No 326483

The CEO will not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

The CEO will not:

##### 4.2.1 Controls on Funds

Rev Date 10/26/2009 Rev No 3 Ref No 190460

Handle funds and financial transactions in a manner that does not safeguard IPGA assets or is not in alignment with common accounting practice regarding internal controls.

##### 4.2.2 Intellectual Property Protection

Rev Date 9/4/2011 Rev No 3 Ref No 326489

Allow intellectual property, information and files to be exposed to loss or significant damage.

### 4.2.3 Credibility & Public Image

Rev Date 9/4/2011 Rev No 3 Ref No 326490

Endanger the Association's public image, credibility, or its ability to accomplish Ends.

#### 4.2.3.1 Model-Consistent Presentations

Rev Date 9/14/2011 Rev No 6 Ref No 328840

Allow anything published or presented by IPGA to be inconsistent with the principles of Policy Governance without an appropriate disclaimer.

#### 4.2.3.2 Portrayal of Referral Services

Rev Date 7/8/2009 Rev No 1 Ref No 168546

Portray IPGA referral services as IPGA recommendations.

### 4.3 Financial Planning/Budgeting

Rev Date 11/9/2016 Rev No 7 Ref No 677387

Planning that allocates resources in a way that deviates materially from Board-stated ends priorities, or risks fiscal jeopardy, or risks the longer-term ability of the organization to achieve Ends.

The CEO will not allow budgeting that:

#### 4.3.1 Credible Projections

Rev Date 11/9/2016 Rev No 3 Ref No 677388

Allow financial planning for the financial year or any part of the financial year that omits credible, conservative projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

#### 4.3.2 Board Funding

Rev Date 9/4/2011 Rev No 2 Ref No 326500

Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.

### 4.4 Financial Conditions and Activities

Rev Date 11/9/2016 Rev No 4 Ref No 677616

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Therefore, the CEO may not:

#### 4.4.1 Asset - Liability Ratio

Rev Date 6/1/2016 Rev No 3 Ref No 639912

Allow the ratio of assets to liabilities to drop below 2:1 as of December 31 of each year.

#### 4.4.2 Line of Credit Limitations

Rev Date 7/8/2013 Rev No 4 Ref No 458760

Access more credit than can be repaid by unencumbered revenues, within three months.

#### 4.4.3 Debt Settlement

Rev Date 2/16/2010 Rev No 3 Ref No 229178

Allow receivables or payables to be unsettled within a reasonable time frame and, in no event, for more than sixty days from the point incurred, with the exception of conference expenses, which may not go unpaid for more than six months.

<b>4.4.4 Government Payments</b>	Rev Date 6/2/2009	Rev No 2	Ref No 167033
Allow tax payments or other government-ordered payments or filings to be filed late or inaccurately or to be paid late.			
<b>4.4.5 Long Term Reserves</b>	Rev Date 1/17/2014	Rev No 5	Ref No 494262
Allow the organization to hold less than a prudent level of long-term (un-committed) financial reserves, with clear reference to the Association's financial sustainability.			
<b>4.4.6 Safeguarding Reserves</b>	Rev Date 8/23/2011	Rev No 3	Ref No 323526
Use or commit long-term reserves			
<b>4.4.7 Negative Cash Flow Period</b>	Rev Date 7/8/2013	Rev No 4	Ref No 458763
Allow cash flow to be negative over the prior twelve months.			
<b>4.5 Communication and Support to the Board</b>	Rev Date 9/4/2011	Rev No 2	Ref No 326508
The CEO will not permit the board to be uninformed or unsupported in its work.			
The CEO will not			
<b>4.5.1 Monitoring Report Format</b>	Rev Date 10/9/2012	Rev No 3	Ref No 397187
Neglect to submit monitoring reports required in the schedule appended to the board in Governance-Management Connection policy "Monitoring CEO Performance" in a timely, accurate and understandable fashion. Monitoring reports should directly address the provisions of the board policies being monitored, and provide for each policy:			
a) the CEO's interpretation rendered in the form of an operational definition, b) any justification the CEO wishes the board to consider in assessing the reasonability of the interpretation, and c) data regarding compliance with the interpretation.			
<b>4.5.2 Board Policy Compliance</b>	Rev Date 9/4/2011	Rev No 2	Ref No 326511
Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the board's monitoring schedule.			
<b>4.5.3 Board Information Exceptions</b>	Rev Date 12/16/2012	Rev No 3	Ref No 424599
Let the board be unaware of any incidental information it desires including anticipated media coverage, threatened or pending lawsuits, changes to the Association Management contract and material internal changes.			
<b>4.5.4 Board Own Non-Compliance Reporting</b>	Rev Date 9/4/2011	Rev No 2	Ref No 326515
Let the board be unaware if, in the CEO's opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior that is detrimental to the work relationship between the board and the CEO.			

## 4.6 Treatment of Membership

Rev Date  
4/9/2006

Rev No  
1

Ref No  
9088

With respect to the treatment of the membership, the CEO will not allow conditions that are unfair, intrusive, untimely, disrespectful or lacking in confidentiality. Therefore, the CEO may not:

### 4.6.1 Fair Consultant Referrals

Rev Date  
11/9/2016

Rev No  
1

Ref No  
9151

Deal with requests for consultant services in a manner that could be construed as favoritism or as a conflict of interest.

### 4.6.2 Whistleblower

Rev Date  
11/9/2016

Rev No  
2

Ref No  
677615

Permit members and others to be without a mechanism for anonymous and confidential reporting of alleged or suspected improper activities, without fear of retaliation.

## 4.7 Treatment of Customers

Rev Date  
11/17/2013

Rev No  
3

Ref No  
484703

With respect to interactions with consumers or those applying to be consumers, the CEO will not cause or allow conditions, procedures, or decisions that are unsafe, undignified, or unnecessarily intrusive.

The CEO will not

### 4.7.1 Data Protection

Rev Date  
9/4/2011

Rev No  
3

Ref No  
326536

Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material elicited.