Date: July 21, 2021

To: Board of Directors

From: Elizabeth Abdoo

Topic: Governance Committee Report

The Governance Committee has had three meetings since the April Board meeting; on May 21, 2021, June 17, 2021, and July 16, 2021. Among other topics, the Committee discussed a skills matrix for the Board, the process for identifying and selecting nominees for the Board and succession planning. A summary of the Committee’s discussions and determinations is below. A more detailed presentation will be provided at the Board meeting.

*Board Skills Matrix*

The Committee reviewed two skills matrices. The purpose of a skills matrix is to assist the Board of Directors in ensuring that the Board of the Alliance consists of individuals with a balance of skills to oversee the Alliance, enhance its mission, achieve the strategic goals, and direct its future. The skills, knowledge and experience required on the Board will change as the Alliance evolves. The Committee has chosen a matrix that is used by Due East Partners. We intend to circulate this to directors for completion by the end of the summer.

*Nominees for the Board*

The Committee adopted an internal policy to structure its process on identifying and nominating directors. A copy of the policy is attached. The policy endorses the current practice and philosophy on Board terms and renewals, that is, directors should serve a three-year term, and absent any issues, should serve another term of three years. The policy includes assessments of the qualifications and performance of incumbent directors, and the Committee is working on an assessment process.

In seeking and identifying nominees for the Board, the Committee has emphasized in its policy the importance of diversity. The Committee will work with the DEI Committee in updating the Statement of Interest that potential candidates complete to solicit information about diversity.

Finally, in connection with the policy, the Committee recommends an amendment to the Bylaws to standardize the terms of directors. Currently, Article III, Section 2 of the Bylaws states that “The terms of office [for a director] shall begin on January 1st following the election, unless the Board specifies a different date at the time of election.” This results in directors having terms that end mid-year and/or throughout the year. The proposal would be to use January 1 as the start date for all directors as follows: For any director elected prior to June 30, the term of office would commence as of January 1 of the year of election. For any director elected on or after July 1, the term of office would commence on January 1 of the year following the year of election.

*Succession*

The Committee also discussed the succession process for the positions of Chair of the Board, Treasurer and Secretary, focusing primarily on the Chair.

The Chair of the Board serves a two-year term under the Bylaws. Under the current process, during the last year of the term, a “Chair Elect” is chosen by vote and works with the Chair for the last year of the term. When the new Chair succeeds to the position, the former Chair is asked to be available for a year to assist in any way. That is entirely voluntary on the part of the former Chair.

The Committee in discussion with senior management recommends and proposes the adoption of a more formal succession plan. Among the recommendations that we will present for discussion at the Board meeting are:

* Updating the position description of Chair of the Board,
* Adding minimum qualifications to serve as Chair,
* Adding the position of Vice Chair to serve a 2-year term with the intention to succeed as Chair upon vote of the directors (note that this would be a 1-year position for 2021-2022), and
* Setting the process and timeline for nominees and election for the positions.