

Terms of Reference of the Governance Committee

1. Purpose

In the framework of interdependent governance with Habitat International, the purpose of the Committee is to ensure that the National Steering Council (NSC) of Habitat for Humanity X (HFHx) can govern the institution effectively, assuming the following responsibilities: (i) coordinate the recruiting and selection of counselors within the framework of a succession strategy; (ii) promote processes for the induction and training of counselors; (iii) comply with the NSC performance evaluation of NSC and its members and (iv) promote the required regulatory framework (policies, bylaws, regulations, etc.) for institutional governance.

2. Membership and composition

The Governance Committee will be a permanent body of the NSC. The Committee's chair must be a member of the NSC, preferably with experience in the area of governance. The chair of the NSC will propose a person as Committee chair and members, who must be ratified by the NSC. The NSC members making up the Committee may be joined by others that the NSC determines to consider, such as former NSC members and others. These appointments will be for a period of one year and may be extended for an additional year subject to NSC agreement.

The ND will be an ex officio member. When deemed necessary, those responsible for the legal area and/or human resources and/or the head of internal auditing and/or representative of the AO, as required, will be invited, subject to prior coordination with the ND.

3. Responsibilities

Unless the NSC determines otherwise, the Governance Committee must bring its proposals and/or recommendations to the NSC to be evaluated and approved.

Main responsibilities:

- i. **Recruitment and selection.** The Committee will ensure the following:
 - a. The NSC has the number of counselors required by the bylaws.
 - b. It will evaluate the profiles of current NSC members and alignment with the organization's mission, vision, values and principles, as well as the Institutional Strategic Plan (ISP), to ensure the competencies and diversity required.
 - c. Candidates for counselors will undergo an evaluation process regarding their competencies and track record, considering whether these are aligned with what the ISP and governance body requires.
 - d. The counselors appointed:
 - Know and agree with requirements regarding attendance and participation in the NSC boards
 - Comply with the bylaws and other legal provisions, specifically HFH ethics and safeguarding policies.

- ii. **Training and induction.** The Committee will ensure that counselors are knowledgeable about:
 - a. The mission, vision, strategic objectives, goals and services of both HFHx and HFHI
 - b. The NO's budget and financial statements

- c. The roles, rights and responsibilities of counselors, the assembly, Committees, national director's office and staff

With this aim, an induction plan will be prepared for new counselors, as well as materials for updating and harmonization of knowledge for active counselors. With support from the ND, it will promote the development of training workshops on governance where best practices can be updated and experiences shared with other national offices in the HFHI network. The Committee will have the active collaboration and resources of the AO for both induction and raining processes.

- iii. **Evaluation of NSC performance.** This is an organized process through which the counselor regularly examines on an individual and collective basis their performance with the aim of maintaining the NSC's optimal functioning. For this, the AO will facilitate the evaluation methodology and tool, which will allow for periodic monitoring of the performance of NSC and permanent Committees.

- iv. **Development of the regulatory framework for institutional governance.** The Committee will promote institutional policies such as the Code of Ethics and Safeguarding in accordance with HFHI policies, and will periodically monitor their implementation and evaluate their effectiveness.

The Committee must ensure that these policies are formally accepted by each member of the NSC and Assembly.

In addition, the Governance Committee will ensure that the following policies are created if they do not yet exist:

- a. Functions and responsibilities of the National Steering Council
- b. Duties and responsibilities of the counselors and staff

- c. Conflict of interest
- d. Nomination, selection and removal of counselors
- e. Succession plans for counselors and national director

4. Meetings and reports

It is recommended that the Governance Committee meet at least six times per year. Meeting agendas will be prepared and provided for members in advance, along with any appropriate informational material. Meeting minutes will be recorded and digitally accessible to the relevant parties. Its chair will report to the NSC.

5. Resources

Under prior authorization from the NSC, the Governance Committee may hire legal, financial, accounting or other type of advisors for support in fulfilling its responsibilities. If considered necessary, the Committee may request that an officer or employee of the organization, or external lawyer or independent auditor, attend and participate in a meeting as guest, subject to prior authorization by the ND. The Committee may create committees for specific work as considered necessary, who must report to the chair of the Committee.