

**The Investor Stewardship Group, Inc.**  
**Governance Advisory Council Charter**

**As of June 16, 2020**

**Council Purpose**

The Governance Advisory Council (“Council”) will assist and provide advice or recommendations to The Investor Stewardship Group, Inc. (“ISG”) Nominating Committee of the Board of Directors (the “Nominating Committee”) and the Board of Directors in fulfilling its responsibilities relating to developing and updating governance structure, policies and practices and such other matters as are set out in this Charter or as may otherwise be assigned to the Council by the Nominating Committee or the Board of Directors.

**Council Responsibilities**

The Council is responsible for making recommendations to the Nominating Committee and the Board of Directors with regard to the following:

- Developing and periodically updating documents and procedures for the ISG governance structure, including, but not limited to, the ISG Council structure and responsibilities and ISG’s Corporate Governance Guidelines.
- Developing and periodically updating the process for ISG members to join Councils.
- Developing and periodically updating the process for new and ongoing ISG membership qualifications for both signatory and endorser members.
- Developing and periodically updating the process for revisions/updates to the ISG Framework for U.S. Stewardship and Governance.
- Reviewing arrangements and fees, if applicable, with external organizations such as law firms, the academic center which works with ISG, etc. and making recommendations with regard thereto to the Board of Directors. It should be noted that the Marketing and Communications Council will review arrangements and fees, if applicable with external organizations such as public relations firms.
- Reporting to the Nominating Committee or the Board of Directors on the Council’s activities and actions, as appropriate. The Council will maintain summaries of all meetings.
- Periodically reviewing and reassessing the adequacy of this Charter and recommending any proposed changes to the Nominating Committee for approval.
- Performing such other responsibilities as are necessary or appropriate to further the Council’s purposes, or as the Board of Directors or Nominating Committee may from time to time assign to it.

## **Council Membership**

### *Membership Expectations*

Members of the Council are expected to dedicate sufficient resources to the Council to ensure the functioning of the ISG. By joining a Council meeting, an individual is representing that they have the ability to speak and vote on behalf of their organization on matters that regularly arise during the meeting, consistent with the responsibilities laid out in this Charter.

### *Becoming a Member*

Any member who wants to become a member of the Council may do so by providing notification of their desire to join the Council to the academic center that works with ISG.

### *Resigning Membership*

Any member of the Council may resign their membership on the Council by providing notification to the academic center that works with ISG or by failure to attend three (3) Council meetings in a one-year period.

### *Chairperson*

The Chairperson of the Council will be annually appointed by a majority vote of the Council members present at the meeting in which the appointment is to be made.

## **Council Rules of Procedure**

### *Meetings*

The Council will meet as frequently as it determines is necessary to carry out its responsibilities. The Chairperson will schedule regular meetings; additional meetings may be held at the request of two or more members of the Council.

The smaller of five (5) or a majority of the members of the Council will constitute a quorum to transact business. The affirmative vote of a majority of the members of the Council present at the time of such vote will be required to approve any action of the Council.

Members of the Council may participate in a meeting of the Council by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. Subject to the requirements of any applicable law, regulation or rule, any action required or permitted to be taken at a meeting of the Council may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Council. Such written consent shall have the same force as a unanimous vote of the Council.

Council members may raise any subjects that are not set on the agenda by the Chairperson.

## **ISG Effectiveness**

The Council will, on a periodic basis, review the size and composition of the Board of Directors and Nominating Committee with a view to maintaining a Board of Directors and Nominating Committee that assures effective functioning and decision-making on behalf of ISG. The Governance Council may propose changes to ISG's Corporate Governance Guidelines for consideration by the Board of Directors.

### **Councils of ISG**

The Council will, on a periodic basis, review the composition and mandate of each Council, and recommend to the Nominating Committee any changes it considers necessary or desirable with respect to the structure of such, including:

- the charters of each Council;
- the criteria for membership on any Council;
- the composition of each Council;
- the operations of each Council; and
- the process by which each Council reports to the Board of Directors and any committee thereof, assessing the channels through which information is received and the quality and timeliness of the information received.