



Creating a healthier future, *together.*

# BOARD OF DIRECTORS

## GOVERNANCE POLICY

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# SAINT JOHN REGIONAL HOSPITAL FOUNDATION

## BOARD OF DIRECTORS GOVERNANCE POLICY

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## I. Policy Objectives

The purpose of this policy is to outline the roles and responsibilities of the Board of Directors of the Saint John Regional Hospital Foundation (“Foundation”). In addition, the policy includes information on the operation, authority, and administration of the Board of Directors’ activities.

## II. Overview of Governance Structure

The Foundation is a non-profit organization incorporated by letters patent dated April 9<sup>th</sup>, 1980 and receiving its charitable status in 1984. Since that time, the Foundation has raised more the \$100 Million dollars in support of New Brunswick healthcare. The most recent update to the Letters Patent in 2015 state that the objects of the Company are:

- for the direct or indirect benefit of the Saint John Regional Hospital, including promoting, maintaining, restoring and/or enhancing patient care and comfort,
- to aid and assist the Saint John Regional Hospital and others in undertaking and carrying out, any and all phases of medical research and/or the professional development of any individual who is, or who is expected to be engaged in the practice of medicine and/or the health care profession in New Brunswick,
- to advance education by providing scholarships, bursaries and other forms of financial assistance to individuals who are admitted into an accredited medical school and who display an intention of practicing medicine in New Brunswick,
- to advance and/or develop mental health and wellness initiatives, programs and/or awareness in any part of New Brunswick, and
- to grant to any other registered charity, to any not-for-profit organization and/or to any health authority in New Brunswick whose purposes and powers are the same or substantially similar to some or all of the objects of the Foundation.

The Foundation’s governance model is depicted in the following diagram:



From a governance perspective, the Board of Directors is the link between the community stakeholders and the organization. The Board of Directors is actively involved in long-term strategic planning, defining success, prioritization of objectives, succession planning and risk management. It must assure itself that appropriate systems of governance, leadership and stewardship are in place. To do this, and yet empower the CEO to lead and manage, is one of the most critical success factors of the Board of Directors.

The Foundation's Board of Directors is primarily a *governing board*. It has the ultimate accountability for the performance of the Foundation. Due to the expertise and experience of the Directors, the Board of Directors at times fulfills an advisory role, providing strategic and operational advice as well as guidance to the CEO. It is not a working or operating board as the Foundation's organizational structure provides for a strong staff component and resources. It does, however, carry out a number of activities pertaining to the fundraising objectives of the Foundation, in keeping with the primary purpose of the organization.

The CEO is the head of management. The primary role of management is to manage the operations of the organization and be accountable to the Board of Directors. Even though there may be a significant amount of interaction with an individual Director, the CEO is only instructed by the full Board of Directors as a whole through the directions received from the Chair.

### III. Board of Directors Composition and Terms

The Foundation is governed by a Board of Directors consisting of not more than twenty (20) Directors and not less than twelve (12) Directors.

Board of Directors terms are for a three-year period, renewable for a second and third three-year term. No person shall be appointed to serve as a Director beyond nine (9) consecutive years except in extenuating circumstances, allowable by a majority vote of the executive of the Company.

The following persons are defined as "ex-officio Directors" and entitled, by virtue of their positions, to serve as a Director:

- the President & CEO of Horizon Health Network (This position is non-voting) or his or her nominee;
- the President & CEO of the Foundation (This position is non-voting);
- A member appointed by the Saint John Regional Hospital Auxiliary Board from among its members; and,
- Two (2) members who are physician/healthcare representatives
- One (1) member who is a mental health care representative

Directors are elected / appointed by the membership at the AGM each year, with the Board of Directors also having the right to appoint between AGMs should a vacancy arise. In order to be eligible to serve as a Director of the Foundation, the individual must be a Canadian citizen.

## IV. Roles and Responsibilities

### A. Board of Directors

The Board of Directors' responsibilities are categorized into the following groups:

1. Fiduciary responsibilities;
2. Oversight responsibilities;
3. Philanthropic responsibilities; and,
4. Operational responsibilities.

The Board of Directors' *fiduciary responsibilities* are to:

- act honestly;
- act in good faith;
- place the organization's interests first;
- exercise authority within the parameters of the position;
- disclose conflict of interest;
- avoid breach of confidence; and,
- hold in strict confidence all transactions and business affairs of transactions affecting the Foundation.

The standard required is that a Director use reasonable care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances. Duties of care, skill and diligence consist of the following characteristics:

- exercise reasonable care;
- attend meetings;
- keep informed;
- act intelligently;
- avoid imprudent judgment by applying appropriate due diligence in decision making;
- provide adequate supervision, and,
- question things that are not clear or not understandable.

The Board of Directors' *oversight responsibilities* consist of the following:

1. *Provide Strategic Stewardship*

- Adopt a strategic planning process and approve a Strategic Plan for the Foundation, developed in collaboration and consultation with the President & CEO and management. Included in this Strategic Plan is the Fundraising Strategy, which is an integrated model to the strategies, objectives and priorities of all sources of fundraising that are pursued by the Foundation to meet its mandate.
  - Devote sufficient time to consideration of strategic issues, which will include holding an annual off-site strategy session and a strategy discussion at each Board of Directors meeting. Incorporate an environmental assessment into the strategic thinking process which outlines the internal and external forces that are affecting, or will potentially affect, the Foundations' ability to achieve its Strategic Plan.
  - Ensure strategic goals align with the Foundation's mission and vision and are strongly tied to appropriate performance metrics.
  - Remain abreast of emerging trends and their implications on the Foundation's operations and provide strategic advice and direction to the President & CEO.
2. *Approve Annual Business Plan and Monitor Performance*
- Approve the annual business plan, including the related operating and budgets, of the Foundation.
  - Approve the measures and targets that will be used to assess the Foundation's performance for the year.
  - Review performance against these targets, which will be done on a quarterly basis, assessing all variances and determining whether the results warrant modification to the business plan and / or the execution of planned initiatives.
  - Recommend approval of the annual audited Financial Statements at the Annual General Meeting.
3. *Ensure Effective Risk Management*
- Pursue a process to develop a Risk Management Policy, which will be approved by the Board. The Board will be responsible for ensuring that the Policy and related systems are in place to effectively identify, assess and mitigate strategic, operational and emerging risks to the Foundation.
  - Identify strategic risks, in conjunction with the President & CEO, and provide strategic advice on the effective mitigation of those risks.
  - Incorporate a review of risk management, once the Policy is in place, at the annual off-site session.
  - Once the Policy is in place, receive and consider reports on the key risks, be informed of management's course of action on these risks and ensure they are being appropriately managed.
4. *Monitor the Performance of the President & CEO*
- Develop a position description for the President & CEO position and ensure it is reviewed annually for relevance and appropriateness.

- Establish specific annual performance targets and results to be achieved by the President & CEO, aligning with the organization's goals
- Evaluate the President & CEO annually against agreed upon performance targets.
- Establish a President & CEO succession plan, which includes an annual review of the CEO's position description.
- Provide advice on significant and / or strategic issues to the President & CEO.
- Approve the President & CEO's compensation.

#### 5. *Ensure Its Own Effectiveness*

- Develop and approve the Board of Directors Governance Policy.
- Develop and implement a comprehensive Board of Directors Orientation Program for new Directors, to be completed within the first year of appointment.
- Develop and implement a Board of Directors Education Program on an annual basis in order to ensure Directors are knowledgeable about the Foundation's operations, the environment in which it operates within, philanthropy, the health care sector as well as effective governance.
- Develop and execute a Board of Directors recruitment process, including the development of the Board of Directors Competency Matrix and Recruitment Plan.
- Develop an Annual Board of Directors Work Plan.
- Assess Board of Directors effectiveness at both the aggregate and individual Director levels.

Given the mandate of the Foundation, the Board of Directors has *philanthropic responsibilities* which are an essential part of its overall effectiveness. Each Director is required to be actively engaged in the fundraising efforts of the Foundation or otherwise support such efforts and as such, carry out a number of activities in concert with management, including:

- Conduct donor recognition and appreciation activities.
- Visit donors on behalf of the Foundation.
- Represent the Foundation at functions and events in support of its fundraising strategy and plan.
- Identify and screen potential donors/sponsors for various fundraising programs and where appropriate, assist in the solicitation.
- Lead fundraising campaigns / programs, supported by management.
- Host events where appropriate.
- Make a meaningful personal donation on an annual basis to the Foundation. The Leadership Appeal goal is to achieve 100% participation by the Board of Directors.

In addition to the above responsibilities, the Board of Directors is required to carry out certain *operational responsibilities* in concert with the President & CEO and management. They consist of the following matters:

- Approve corporate policies deemed necessary for the effective operation of the Foundation.
- Act as an advocate and ambassador for the Foundation and assist in enhancing the public's understanding of the Mission of the Foundation, as well as the need for philanthropic support. Directors are encouraged to promote the Foundation throughout the community.
- Assist in the identification and recruitment of prospective new Board of Directors members and project volunteers for the Foundation.

#### **A. *Chair of the Board of Directors***

The Chair is the head of the Board of Directors and presides over its meetings and perform other duties as directed by the Board of Directors. The role of the Chair is to ensure that:

- The Board of Directors conducts itself within its governing laws and policies;
- There is timely, fair, orderly and thorough deliberation of issues;
- Ensure that there are meetings of the Board of Directors; and,
- To interpret Board of Directors' policies.

The Chair has all of the responsibilities that an individual Director has, as well as responsibility to:

##### **1. *Manage the Board of Directors***

- Work with the CEO to prepare agendas for Board of Directors Meetings.
- Ensure agendas are forward-looking, concentrating on strategic matters, reflecting current priorities and take into account the issues and concerns of all Directors.
- Ensure the Board of Directors receives accurate, timely and clear briefings and information, particularly in relation to financial performance, in order to enable the Board of Directors to make sound decisions, monitor performance and provide strategic advice.
- Ensure the Board of Directors operates independently of management.
- Ensure sufficient time is allowed on agendas for discussion of complex or sensitive issues.
- Encourage full participation, stimulate debate and facilitate consensus.
- Ensure clarity regarding decisions and that those decisions are duly recorded.
- Call for votes to confirm consensus decisions or to decide issues.
- Identify, determine and resolve conflicts of interest.
- Rule on questions of order and maintain order.



- Ensure compliance with the governance and other policies of the Board of Directors regarding conduct of its meetings and managing and reporting information.
- Communicate with Directors between meetings.
- Call special meetings if necessary.
- Ensure procedures are in place to allow the Board of Directors to engage outside advisors at the expense of the organization in appropriate circumstances.
- Ensure each Director is fulfilling their responsibilities, particularly the philanthropic responsibilities.

2. *Provide Leadership / Mentorship to Enhance Board of Directors Effectiveness*

- Participate in the Board of Directors Orientation Program.
- Build Board of Directors unity, solidarity and trust.
- Demonstrate integrity and ethical leadership.
- Assist fellow Directors in understanding their roles, responsibilities and accountabilities, including their risks and liabilities as Directors.
- Ensure governance issues receive due consideration and attention by the Board of Directors.
- Take the lead in identifying opportunities to meet the development needs of Directors to enhance individual and overall effectiveness of the Board of Directors.
- Encourage active, engaged participation by all Directors.
- Ensure the performance of the Board of Directors is rigorously assessed and reported on a regular basis.
- Work with individual Directors so that they understand their roles and to assist them in assessing their performance.

3. *Determine Committee Membership*

- Select committee members, in consultation with the Executive Committee and CEO.
- Participate in any committee meeting as a non-voting member.

4. *Act as a Liaison Between the Board of Directors and the CEO*

- Provide support, advice and encouragement to the CEO while respecting the CEO's role and responsibilities.
- Work closely with the CEO to direct the development of the Foundation's Strategic Plan.
- Act in an advisory capacity to the CEO in matters concerning the significant and / or strategic interests and management of the Foundation.
- Work in partnership with the CEO to ensure Board of Directors' resolutions are carried out.
- Facilitate the establishment of the performance standards and evaluation criteria for the CEO.
- Coordinate the CEO's annual performance evaluation.

- Ensure a succession plan is in place for the CEO.
  - Oversee search for a new CEO when required.
5. *Act as the public face of the board of Directors of the Foundation.*
- To make themselves available where possible to attend events and to speak on behalf of the board of Directors of the Foundation to media, donors and other stakeholders of the Foundation.

**B. Vice-Chair of Board of Directors**

In the absence of the Chair, the Vice-Chair will act as Chair assuming the roles and responsibilities as noted above.

**C. Treasurer**

The Treasurer is the lead Board Director for financial management and oversight of the Foundation.

Specific responsibilities include:

1. *Oversee the financial affairs of the Foundation*
  - Oversee, and present the annual budget and the quarterly financial statements to the Board of Directors.
  - Ensure that proper accounts and records are kept, ensuring financial resources are spent and invested in line with the Foundation's policies, good governance, legal and regulatory requirements.
  
2. *Assume a leadership role on financial matters*
  - Maintain sound financial management of the Foundation's resources, ensuring expenditures are in line with the Foundation's Mission and Vision.
  - Ensure that appropriate financial controls and systems are in place and adhered to.
  - Chair the Finance Committee and report back to the Board of Directors. Advise on the financial implications of the Foundation's strategic plan.
  - Liaise with the Foundation's Finance Director to ensure that the Foundation's annual accounts are compliant with the Canada Revenue Agency (CRA) guidelines.
  - Contribute to the fundraising strategy of the Foundation.
  - Liaise with the Foundation's external auditors to ensure the timely completion of the annual audit.
  - Present the audited financial statements at the Foundation's Annual General Meeting.

3. *Ensure the T3010B Information Return is completed in an accurate and timely manner.*
  - Be aware of CRA policies/regulatory requirements with respect to financial compliance.
  - Clarify confusion over financial issues related to CRA expectations to ensure financial decisions do not place the Foundation in a vulnerable position for sanctions.
  - Work collaboratively with other officers and staff to ensure the T3010B is submitted to CRA in an accurate and timely manner.
  
4. *Monitor the Foundation's asset management practices.*
  - Ensure that adequate controls exist over the Foundations assets.
  - Review the Foundation's insurance coverage for adequacy.

In the absence of a Secretary on the Executive Committee, the Treasurer shall assume the role of Secretary/Treasurer and assume the duties of the Secretary as outlined in the Bylaws.

#### ***D. Secretary***

The Secretary keeps record of all business transactions by the Board of Directors and shall perform such other duties as the Board of Directors may direct.

#### ***E. Past-Chair***

The Past Chair primary role is to provide oversight and input to the Board, CEO and Executive committee including a historical context in the strategy development, operation, and plan execution of the Foundation.

Specific responsibilities include:

- Serves on Board and Executive Committee
- Participates in additional Committee work as either participant or Chair
- Provides historical perspective on Board and Foundation activities as required
- Supports Chair in the execution of duties as requested
- Represent the Foundation at events or in the community at the request of Board, CEO or Chair
- Identify and recruit additional Board members as required

- Participate in all Board meetings, Executive meetings and appropriate Fundraising activities of the Foundation

## V. Board of Directors / CEO Relationship

Ideally and in practice, the working relationship between the Board of Directors and the CEO is a collaborative one. Pursuant to the By-Laws, the CEO is an ex-officio director, and is a non-voting member. The CEO attends all Board of Directors meetings (with the exception of the in-camera session held at each meeting to allow the Board of Directors to meet without the CEO) and is integral to its effectiveness. Similarly, the collective knowledge and experience of the Board of Directors is a tremendous resource for the CEO to draw upon.

It is important for the Board of Directors and CEO to observe and respect the scope of each other's authority and to delineate how they will work collaboratively in the discharge of their authority and responsibilities. This is particularly important in small organizations such as the Foundation.

The protocol in place between the Foundation's Board of Directors and CEO is outlined below:

- All Board of Directors' authority is delegated through the CEO, so that all authority and accountability to staff – as far as the Board of Directors is concerned – is considered to be the authority and accountability of the CEO.
- The Board of Directors directs the CEO to achieve certain results and sets parameters to guide the practices and conduct of the CEO in achieving the agreed results.
- Based upon the relevant Board of Directors direction, CEO is authorized to establish the required business strategies, make decisions, take actions, determine operational practices and develop activities for The Foundation.
- The Board of Directors may shift the boundaries between the Board of Directors and CEO domains but by doing so; the Board of Directors will be changing the latitude given to the CEO. However, as long as any particular delegation of authority is in place, the Board of Directors respects and supports the CEO's choices.
- Only the decisions of the Board of Directors acting as a single body are binding upon the CEO. Decisions or instructions of individual Directors are not binding upon the CEO except in rare circumstances when the Board of Directors has authorized such an exercise of authority.

In formal communications to the CEO, the Board of Directors speaks with one voice, through the Chair, to the CEO. The Chair, at such times as is agreed by the Board of Directors, may appoint one or more Directors to address specific issues with the CEO.

- In the case of Directors or committees of the Board of Directors requesting information or assistance without Board of Directors authorization, or not within the scope of the Board of Directors' responsibilities, the CEO will address these with the Chair, or if it relates to the Chair, with the Vice-Chair.
- The CEO must be able to rely on the Board of Directors to address and resolve issues of governance, while respectfully not becoming involved in the management of the organization.

## **VI. Board of Directors Recruitment and Orientation Process**

The Nominating Committee shall make recommendations to the Board of Directors on candidates for replacement selected from a broad cross section of the community, as may be required from time to time. Recommendations made to the Board of Directors are deemed to be unanimous.

As noted in the Board of Directors Composition and Terms section, the Board of Directors is appointed at the AGM each year. At each AGM, the Board of Directors also elects the Executive of the Company from its membership:

- a Chair;
- a Vice-Chair;
- a Secretary;
- a Treasurer; or a Secretary-Treasurer
- The immediate Past-Chair
- other officers as the Directors may from time to time determine; and,
- An Executive Committee composed of the Chair, Vice-Chair, Secretary, Treasurer, Past Chair and President & CEO of the Foundation.

These positions are in place for one (1) year or such longer period until their successors are elected.

In December of each year, the Board of Directors will determine the most appropriate number of Directors up to a maximum of twenty (20) and no less than twelve (12). In determining the optimal number, the Board of Directors will consider a number of factors, including the needed size to fulfill its responsibilities, support the Board of Directors' committee structure and ensure the necessary skills exist on the Board of Directors. Upon determination of the Board of Directors size, it is compared to the number of positions

that will continue beyond the current year in order to arrive at the number of positions that will be pursued for nomination. (An example would be if the optimal Board of Directors size is concluded to be 20, and the number of continuing positions is 16, 4 new positions will be pursued, which would be led by the Nominating Committee).

There are occasions when a Board of Directors member resigns during the year in a timeframe that does not coincide with the AGM. In those instances, the Board of Directors will update the Board of Directors Competency Matrix and Recruitment Plan and may appoint an individual, with such appointment requiring ratification at the next AGM.

A formal Board of Directors Competency Matrix and Recruitment Plan will be developed and utilized on an annual basis as part of the nomination process or as a Director vacancy occurs. The purpose of the Matrix/Plan is to identify the existing Board of Directors' profile relative to pre-established criteria deemed to be important to a highly-functioning Board of Directors as well as the determined "ideal" composition. Gaps are identified, confirmed and where appropriate, efforts are made to recruit Directors with the necessary profile to put their name forward for nomination / election if this is taking place as part of the AGM. If the process is occurring as a result of a mid-year vacancy, the analysis is used to recruit the appropriate candidate.

All new Directors are required to complete the prescribed Board of Directors Orientation Program.

Any Board of Directors member may at any time resign upon thirty (30) days' notice addressed to the Chair or upon such shorter notice as the Chair will accept as sufficient.

A Board of Directors member's term is automatically terminated if the Director:

- becomes bankrupt or makes an assignment for the benefit of creditors;
- is, or is found by a court of competent jurisdiction to be, a mentally incompetent person;
- in the case of an Ex Officio member, ceases to hold the position in respect of which the person became eligible to serve as a Board of Directors member;
- is removed in the manner herein provided; or,
- Is absent without having been excused from more than 50% of the Board of Directors meetings held in any one calendar year.

Where the Board of Directors has determined that one or more of its Directors have failed to carry out their duties in accordance with the Bylaws or have failed to act in furtherance of the purpose for which the Foundation was established, the Board of Directors may by

resolution remove the Board of Directors member(s) and may appoint a new member(s) to hold office until the expiration of one year from the date of their appointment.

## **VII. Board of Directors Meetings and Quorum Requirements**

Prior to the beginning of each fiscal year, an annual Board of Directors Meeting Schedule will be prepared and approved by the Board of Directors for the upcoming fiscal year. The schedule will list dates, times and incorporates the Board of Directors' Annual Work Plan by noting the planned key agenda items to be covered at each meeting. In addition to the regular meetings, the Board of Directors will hold an all-day Strategy Session each year in order to solely focus on its strategic stewardship responsibility. In addition, an AGM is included in the meeting schedule and takes place each year, typically in June.

The agenda will follow the prescribed Board of Directors Meeting Agenda Model, which includes consent agenda items. Fifty percent of the Board of Directors constitutes a quorum for these meetings. Pursuant to appropriate governance practice, an in-camera session will be held with the Board of Directors and the CEO as well as the Board of Directors only at each meeting. Any key discussion items as well as action or decision items as a result of these sessions will be documented into the meeting minutes.

## **VIII. Committee Structure and Mandates**

In addition to the Executive Committee there are three standing committees that carry out specific responsibilities and make recommendations to the Board of Directors with respect to matters within their jurisdiction:

1. Finance, Audit and Investment Committee;
2. Governance and Nominating Committee;
3. Fundraising and Grants Committee;

Each of these committees shall be composed of not less than two (2) Directors. A Director must chair each of these committees. A majority of members shall constitute a quorum at any committee meeting. Where possible and logical, each Director is on at least one standing committee in order to enhance Board of Directors knowledge and engagement. The term of office for each committee is for one (1) year. Each committee will have a Terms of Reference that outlines their role, responsibilities and relationships in fulfilling their respective mandates. These Terms of Reference will be reviewed by the respective committee on an annual basis, with revised terms reviewed by the Governance and Nominating Committee and then brought forward to the Board of Directors for approval.

In addition to these standing committees, an Executive Committee exists and pursuant to the By-Laws, it performs such duties and exercises such powers as delegated by the Board of Directors from time to time, with the exception of duties that are required by special

resolution. Currently, the Board of Directors has delegated a number of duties to the Executive Committee. First, the Executive Committee provides support to the overall proceedings of the Board of Directors as well as the President & CEO. Second, the Executive Committee acts on behalf of the Board of Directors on matters that is required to be dealt with between Board of Directors meetings. If such action is necessary, the Executive Committee will report to the Board of Directors on those matters at the next meeting. Third, the Executive Committee carries out some of the functions that are traditionally part of a Governance Committee, including the Board of Directors Education Program, the President & CEO's performance and compensation, which are recommended to the Board for approval, Board of Directors performance evaluation as well as the Terms of Reference of Board of Directors' committees. The Terms of Reference of the Executive Committee will be developed, approved by the Board and reviewed on an annual basis.

In addition, ad-hoc committees will be established as deemed appropriate by the Board of Directors and / or the Executive Committee.

## **IX. Code of Conduct and Ethics**

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.

Donors' trust in our organizations is at the heart of our concerns. The Donor Bill of Rights provides a framework for industry members' actions. The Foundation's effective governance is committed to maintaining a high standard of ethical business conduct and will adopt an annual review of the Donor Bill of Rights, which applies to Directors as well as all staff. As part of this responsibility, Directors will annually complete a Code of Conduct and Ethics Acknowledgement Form, indicating they have reviewed, understand and complied with the Donor Bill of Rights.

## **X. Performance Management and Evaluation**

Conducting evaluations of Board of Directors performance has become a recognized and accepted governance best practice. The Board of Directors' evaluation model is comprised of the following components:

1. *Board of Directors evaluation as a whole* – on an annual basis, the Board of Directors will conduct an assessment of the overall performance of the collective Board of Directors.
2. *Individual Director self-evaluation* – on an annual basis, Directors assess their own performance.



For the assessment of the *Board of Directors as a whole*, the Chair will lead this process by annually ensuring the completion of a Board of Directors Self-Assessment Questionnaire through which Directors evaluate the effectiveness of the Board of Directors. The Chair, through the CEO, will ensure that a process is in place to tabulate and disseminate the results of the questionnaire and to review them with the Board of Directors. The Chair further ensures that, where appropriate, action plans are developed and implemented to address identified concerns or areas where effectiveness could be enhanced. In addition, the Chair may meet with Directors as part of the Board of Directors evaluation process in order to gain any further perspectives.

The Chair is also responsible to lead the annual evaluation of *individual Directors'* performance using the Director Self-Assessment Questionnaire through which Directors self-evaluate their own effectiveness and performance in discharging their general responsibilities as a Director. The Chair will ensure that, where appropriate and agreed to, action plans are developed and implemented to address areas on which Directors wish to focus arising from their evaluation.

#### **XI. Communications on Governance**

In support of transparency and effective communication to stakeholders, the Board of Directors Governance Policy and/or governance practices will be proactively outlined on the Foundation's website.

#### **XII. Policy Review**

The President & CEO has the responsibility of facilitating the annual review and updating of this Policy to ensure it is reflective of governance best practices and continues to be relevant for the Foundation. Any changes to the policy are to be brought forward to the Board of Directors for review, discussion, and approval.

#### **XIII. Committee Terms of Reference**

The Terms of Reference aim to outline the Saint John Regional Hospital Foundation (Foundation) Board's Committee structure, define the meaning of the Committees, and composition of the Committees' reporting structure in fulfilling their respective mandates in alignment with the Board of Directors Governance Policy.

The following Terms of Reference must be reviewed annually, with revised terms reviewed by the Governance and Nominating Committee and then brought forward to the Board of Directors for approval. The Committees may engage independent advisors at the expense of the Foundation when it deems necessary, subject to the approval of the Board Chair. In

addition to these standing committees, a Chair of the Board and the Executive Committee exist and are pursuant to the By-Laws.

#### **A) *Executive Committee***

##### *1. Membership*

Composed of Board appointed Directors including the Board Chair, Vice-Chair, Treasurer, Secretary, and Past Chair of the Board.

##### *2. Staff Support*

The President, Vice President and additional nominees provides staff support to the Committee, and the Development Assistant is secretary to the Committee.

##### *3. Purpose*

The purpose of the Executive Committee is to facilitate decision-making between board meetings or in urgent and crisis circumstances, except for duties that are required by special resolution.

##### *4. Responsibilities*

- Provide support to the overall proceedings of the Board of Directors and President and CEO
- Acts on behalf of the Board of Directors on matters that are required to be dealt with between Board of Directors meetings
- Carries out the President and CEO's performance and compensation review, which are recommended to the Board for approval
- Carry out such other functions as directed from time to time by the Board
- Advise the President and CEO in managing serious workplace issues at a high-level
- Approve corporate policies deemed necessary for the effectiveness operation of the Foundation
- Report to the Board any issues, updates, conflicts of interest or recommendations brought forward by Committee Chairs/Governance and Nominating Committee
- Lead annual work plan for the Board, and one for each committee of the Board
- Lead development of an annual Education Program to ensure Directors are knowledgeable about the Foundation's operations, the environment in which it operates within, philanthropy, the health care sector as well as effective governance
- Annual review of Committee Terms of Reference in consultation with the Governance and Nominating Committee and Committee Chairs

5. *Nomination/Reporting:*

- The Board, on the recommendation of the Board Chair and President & CEO, appoints the Executive Committee members and Chair
- The Executive Committee reports to the Board of Directors

6. *Policies*

- Non-applicable as of February 27, 2023

**B) *Governance & Nominating Committee***

1. *Membership*

Composed of appointed Directors including the appointed Committee Chair, and no less than three (3) Directors. A minimum of one (1) member of the Committee shall have governance experience.

2. *Staff Support*

The President, Vice President and additional nominees provides staff support to the Committee, and the Development Assistant is secretary to the Committee.

3. *Purpose*

The purpose of the Governance and Nominating Committee is to develop and recommend the Board's approach to good governance and, support and oversee Board Member recruitment, and to lead processes to support the effectiveness of the Board, Committees, and individual Board Members.

4. *Responsibilities*

- Annual review of the By-Laws, Governance Policy, and the Code of Conduct Policy for the Foundation and advises to the Board of Directors regarding areas of concern, best practices, and recommended changes
- Provide support and advice as may be required by the President and CEO, if any, of the Foundation in the interpretation and execution of Board policies
- Ensures appropriate structures and committees are in place to allow the Board to function effectively in alignment with Governance
- Annually reviews the composition of the Board as a whole and recommends, if necessary, changes to the Board Skills and Diversity Matrix to ensure the desired Board makeup includes an appropriate balance of knowledge, experience, skills, expertise, and diversity

- Annually or as vacancies arise, works with the President and CEO to identify gaps that should be filled and recommends to the Board the desired skills and experience for potential new Board Members
- Oversee the annual Directors recruitment process, including developing and updating the Board of Directors Skills and Diversity Matrix and annual recruitment plans.
- Recommends to the Board of Directors a ranked list of suitable candidates for election or appointment of Directors
- Ensures programs are in place for new Board Member orientation and aligned with Governance
- Ensure each Director completes an annual Conflict-of-Interest Disclosure Form, Code of Conduct and Ethics Acknowledgement Form, and a Skills and Diversity Self-Assessment Survey

#### 5. *Reporting/Nomination*

- The Board, on the recommendation of the Board Chair and President & CEO, appoints the Governance and Nominating Committee Chair
- The Governance and Nominating reports the Board of Directors

#### 6. *Policies the Committee maintains*

- By-laws
- Governance Policy
- Code of Conduct and Ethics Policy

### C) ***Finance, Audit, and Investment Committee***

#### 1. *Membership*

Composed of appointed Directors including the appointed Treasurer who should have an accounting designation, and no less than three (3) Directors. All members of the Committee shall have budgeting experience and knowledge about the financial ecosystem.

#### 2. *Staff Support*

The President, Director of Finance and additional nominees provides staff support to the Committee, and the Development Assistant is secretary to the Committee.

#### 3. *Purpose*

Oversee the financial affairs of the Foundation and advise the Board of Directors with respect to all financial aspects and control systems of the Foundation's operations.

#### *4. Responsibilities*

- Oversee, and present the annual budget and the quarterly financial statements to the Board of Directors
- Ensure that proper accounts and records are kept, ensuring financial resources are spent and invested in line with the Foundation's policies, good governance, legal and regulatory requirements
- Ensure the Foundation maintains sound financial management of resources, ensuring expenditures are in line with the Foundation's Mission and Vision
- Ensure that appropriate financial controls and systems are in place and adhered to
- Liaise with the Foundation's Finance Director to ensure that the Foundation's annual accounts are compliant with the Canada Revenue Agency (CRA) guidelines
- Be aware of CRA policies/regulatory requirements with respect to financial compliance
- Clarify confusion over financial of fundraising issues related to CRA expectations to ensure financial decisions do not place the Foundation in a vulnerable position for sanctions
- Monitor the Foundation's asset management practices

#### *5. Reporting and Nomination*

- The Board, on the recommendation of the Board Chair and President & CEO, appoints the Treasurer
- The Finance, Audit and Investment Committee reports the Board of Directors

#### *6. Policies the Committee maintains*

- Investment Policy
- Delegation Authority Policy
- Compensation Policy

### ***D) Fundraising and Granting Committee***

#### *1. Members*

Composed of appointed Directors including the appointed Committee Chair, and no less than three (3) Directors. A minimum of two (2) members of the Committee shall be a health care or mental health representatives/advocates. Ideally non-voting community members would be invited to participate on the committee acting as subject matter experts including hospital leadership.

## *2. Staff Support*

The President, Vice President, Director of Finance, and additional nominees provides staff support to the Committee, and the Development Assistant is secretary to the Committee.

## *3. Purpose*

The purpose of the Fundraising and Granting Committee is to enhance the capacity to achieve the Foundations mission by assisting in advancing fundraising and granting activities and projects supporting Horizon Health and the provinces healthcare priorities.

## *4. Responsibilities:*

- Contribute to the fundraising and granting strategy of the Foundation
- Advances recommendations to the Board of Directors for fundraising and granting requests to the Board for approval
- Oversight that fundraising and granting projects align with mission and purpose supporting the advancement of patient care by funding technology, innovation, mental health and addictions, education, research
- Support with cultivating industry and community alliances
- Along with the President & CEO, meet with current and prospective major donors and funders
- Engage respective networks for potential donors of money, time, and in-kind support

## *5. Reporting/Nomination*

- The Board, on the recommendation of the Board Chair and President & CEO, appoints the Fundraising and Grants Committee Chair
- The Fundraising and Grants Committee reports the Board of Directors

## *6. Policies*

- Non-applicable as of February 27, 2023

## **E) Ad Hoc Committee(s)**

### *1. Members*

Composed of appointed Directors including the appointed Ad-Hoc Committee Chair, and no less than three (3) Directors. Ideally non-voting community members would be invited to participate on the committee acting as subject matter experts.

### *2. Purpose*

The Board may form ad hoc committees and task forces to handle issues as needed. Director's support is targeted, short-term problem-solving rather than ongoing committee participation.

Examples of ad hoc committees:

- People and HR Committee
- Special Event Committee
- Campaign Committee
- Executive Director Search and Transition Committees
- Strategic Planning Committee
- Special Situations