

2.2 GOVERNANCE COMMITTEE CHARTER

2.2.1 Composition and Voting

The Committee shall consist of:

- (a) the First Vice-Chair of the Board, who shall be Committee Chair;
- (b) at least two (2) Elected Directors as voting members;
- (c) the Board Chair as an Ex-Officio Voting Director; and
- (d) the Chief Executive Officer as an Ex-Officio Non-Voting Director.

2.2.2 Meetings

The Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate.

2.2.3 Quorum

Quorum for any meeting of the Committee shall be at least fifty percent (50%) of the voting members.

2.2.4 Role

The role of the Committee is to assist the Board in meeting its fiduciary oversight and legal obligations in relation to governance matters. The Committee will identify leading governance practices and standards (and supporting processes) that promote and enhance effective Board decision-making to ensure that the affairs and activities of the Corporation are managed in the best interest of the Corporation.

As described in the Corporation's By-Law, exercise the full power of the Board in all matters of administrative urgency, if a quorum of the Board is unavailable by a given deadline, and reporting every action to the next meeting of the Board.

2.2.5 Specific Duties and Responsibilities

To fulfil the duties of the Governance Committee, the Committee shall perform the following:

- (a) Board and Committee Structure and Composition

The Committee shall be responsible for making recommendations to the Board with respect to the appropriate structure and composition of the Board and its committees to fulfill their functions and comply with all legal requirements. In so doing, the Committee shall:

- (i) develop and, where appropriate, recommend to the Board for approval governance guidelines aimed at fostering high standards of corporate governance;
- (ii) recommend to the Board, with a view to facilitating effective and independent decision-making, criteria for the composition of the Board and its committees, including total size, independence of Directors and Community Members, the number and role of the exofficio voting and non-voting Directors on the Board and its Committees; and
- (iii) receive from the Board Chair recommendations regarding Board Committee composition:
 - (A) annually regarding the allocation of Board Directors to each of the Board Committees and the Committee Chairs; and
 - (B) where a vacancy occurs at any time in the membership of any Board Committee, a member to fill such vacancy.

After its deliberations and amendments, if any, to the Board Chair's recommendations, the Committee shall in turn recommend the composition to the Board.

(b) Nominations for Board Directors and Community Members

For purposes of condensing this Charter, the duties and responsibilities of this Committee regarding the nomination, selection, guidelines, competencies and performance expectations for Board Directors also apply to Community Members for Board Committees.

The Committee shall:

- (i) receive and retain from persons eligible to be elected as a Director of the Board their completed prescribed applications indicating their interest in serving on the Board and their qualifications;
- (ii) review all received applications carefully and following considerations of the guidelines for nomination set out in paragraph (c) below, submit to the Board the slate of nominees that the Committee recommends for election as Directors of the Corporation; and

(iii) where the Board indicates that it intends to fill a vacancy on the Board, submit to the Chair the name or names of persons that the Committee recommends to complete any unexpired terms.

(c) Guidelines for the Nomination of Directors

(i) To ensure the membership of the Board reflects the diversity of the communities within the catchment area, the following principles, qualities and skills will guide the Governance Committee when considering candidates for Board membership:

(A) The geographic criteria and restrictions as described in the Corporation's By-Law.

(B) The Board's priority is to ensure that its Directors have the required skills, experience and capacity to govern and lead the Corporation and that the membership of the Board and its committees should encompass the universal and collective Director competencies identified in the Governance Policy Manual, while balancing the need to consider succession planning for the Board.

(C) The Corporation is also committed to ensuring that the Board reflects the diversity of the communities within the catchment area. Accordingly, in populating the Board, the Board shall strive to reflect the catchment area's demographic characteristics including, without limitation, gender, age, language, culture, ethnic and social characteristics are appropriately balanced.

(ii) The Board should be seen as applying objective criteria in determining the appropriate candidates for election as a Director and in doing so, shall review the Corporation's vision, strategic direction and goals and governance objectives for the future. In doing so, the Governance Committee shall consider both general and specifically identified competencies that candidates should have.

(iii) The Committee should ensure that all Directors have the following universal competencies:

(A) Integrity

Directors must:

(1) have personal integrity;

(2) consistently demonstrate the highest standards of professional conduct to all activities affecting the Corporation;

(3) act in a manner that sustains and improves trust to reinforce the Corporation's reputation and brand; and

(4) have familiarity with and high regard for his/her fiduciary duty.

(B) Corporate Governance Directors must:

(1) have previous experience and understand the oversight role of a Director at an organization of similar size, scope and complexity;

(2) have a track record of preparing for and contributing to Board Committee and meeting discussions and oversight; and

(3) make a strong commitment to the time and effort required to undertake the role.

(C) Commitment and Effective Communication Directors must:

(1) make an active contribution at meetings and on behalf of the Board where required;

(2) demonstrate a willingness to devote the time necessary to board and/or committee work, including orientation and education;

(3) have the ability to convey information during Board and Committee meetings effectively and efficiently;

(4) have the ability to verbally articulate viewpoints succinctly and clearly;

(5) have the ability to justify viewpoints with logic, facts and figures, where required; and

(6) Demonstrate effective listening skills.

(D) Analytical Decision-Making

Directors must demonstrate:

- (1) a capacity for resolving difficult and complex issues;
- (2) ability to read, understand and interpret the Corporation's basic financial and operating statements;
- (3) an awareness and understanding of identified issues and proposed recommendations and impacts;
- (4) an ability to analyse situations and problems from a systems perspective;
- (5) an absence of any material conflict that would impede the Director's ability to meet the expected standard of care;
- (6) the capacity and ability to provide valued knowledge, experience and counsel to the Board, the Chief Executive Officer and Chief of Staff.

(E) Strategic Leadership

Directors must have:

- (1) a commitment to the vision and values of the Corporation, the strategic plan of the Corporation and its responsibilities to the MOHLTC and the LHIN;
- (2) the capability to give leadership to the development of the Corporation;
- (3) the capability of exercising leadership and consensus building; and
- (4) the demonstrated ability to work as a member of a team and the ability to express a dissenting opinion in a constructive manner.

(F) Political Acumen

A Director must understand:

- (1) the distinction between the strategic and policy role of the Board and the day-to-day operational responsibilities of management;
- (2) the range of obligations and constraints imposed upon Directors of the Corporation; and
- (3) the unique cultural and support requirements of individuals and special communities.

(iv) The Committee should strive to ensure that the following collective competencies are present in the Board:

- (A) previous or existing hospital board or committee experience;
- (B) a variety of leadership skills and abilities;
- (C) financial expertise, including financial analysis and forecasting and budgeting;
- (D) a high level of leadership and/or executive experience;
- (E) strategic planning experience;
- (F) senior level business management experience in a complex environment;
- (G) management/professional accounting;
- (H) quality, risk management and performance measurement;
- (I) legal;
- (J) human resource management;
- (K) communications;
- (L) government;
- (M) information systems management/technology;
- (N) healthcare administrative or clinical experience;
- (O) research/education and ethics;

- (P) construction design/management;
- (Q) government relations;
- (R) patient and health care advocacy; (S) experience in the health field; and

(T) such other specific knowledge and/or experience that the Committee may identify from time to time.

(d) Termination of Directors

Consistent with the provisions described in the Corporation's By-Law, in consultation with the Board Chair, the Committee shall be responsible to recommend to the Board the termination of a Director. In the event the Director in question is a member of the Governance Committee, then that Director shall be recused from the proceedings.

(e) Director Orientation and Education

The Committee shall be responsible for overseeing the establishment of, monitoring and evaluation of an orientation program for new Directors and for the ongoing education of the Directors, with a view to enhancing the Board's knowledge of governance, health care issues and Corporation's programs and services, including oversight of:

- (i) an orientation and education program for new Directors, including the role of the Board and its committees;
- (ii) topical seminars for the Board or any of its committees as required;
- (iii) generally serving as a resource for the ongoing education of Directors with respect to their duties and responsibilities as Directors; and
- (iv) reviewing the education requirements for members of the Board and Board/Committee officers on an annual basis and shall provide recommendations to the Board.

(f) Board, Committee and Chair Assessment and Evaluation

The Committee shall be responsible for establishing and facilitating an effective process for the ongoing evaluation of the performance and effectiveness of the Board, its Committees, Chair, Committee Chairs and individual Directors. The Committee shall fulfil this purpose by:

- (i) approving and implementing an annual performance assessment of the Board, its Committees and individual Directors and assessing the governance effectiveness;
- (ii) approving appropriate policies, processes and programs to enable the Board to fulfil its duties and obligations including:
 - (A) orientation of newly appointed Directors; and
 - (B) ongoing development, education and training for all Board members;
- (iii) approving processes and procedures for the regular ongoing assessment of Board and Committee meeting effectiveness;
- (iv) recommending changes to the Board composition to address effectiveness issues arising out of the annual performance assessments implemented by the Governance Committee;
- (v) recommending changes to the Corporation's current approach to governance as part of ongoing reporting obligations to the Board on governance trends and best practices;
- (vi) recommending, where appropriate, to the Board changes to the mandate of the Board, each of its Committees, the Board Chair and Committee Chairs based on the needs of the Corporation and evolving governance standards; and
- (vii) assessing the competency requirements of the Board and recommending skills and experience needs and requirements for the Board.

(g) Governance

The Committee shall be responsible for:

- (i) reviewing regulatory developments and legal changes while referring to other committees of the Board the review of such subject matter as is more appropriately in their purview;
- (ii) keeping abreast of the latest regulatory requirements, trends and guidance in governance and updating the Board on governance issues as necessary;
- (iii) reviewing, evaluating and responding whenever considered appropriate to reports or position papers on the subject of governance;

(iv) be responsible for the ongoing review and assessment of the Corporation's Articles, By-law, Charters and Governance Policy Manual. The Committee may recommend such changes to the Corporation's governing and constituting documentation as the Committee may consider appropriate or necessary; and

(v) annually reporting on the state of governance of the Corporation as a whole and recommending changes.

(h) Board Functioning

The Committee shall be responsible for considering and assessing the functioning of the Board. In so doing, the Committee may, from time to time:

(i) recommend issues to be discussed at Board meetings and committee meetings to reflect timely and complete information and decision making at the Board level;

(ii) if considered needed, review the adequacy of the strategic planning process and oversee its implementation;

(iii) be responsible for proposing or recommending the terms of reference for any Committees (standing or special) that the Board may wish to establish from time to time;

(iv) review the By-law of the Corporation to determine if any amendments are required;

(v) lead the development of Lean governance practices and continuous improvement of Board processes;

(vi) recommend to the Board a broad list of topics of interest or importance for discussion and/or action and, as required, bring forward issues that require Board discussion and/or action; and

(vii) continually monitor a Director's attendance record. The Committee, from time to time, may make recommendations to the Board with respect to a particular Director's attendance record.

(i) Board Independence

The Committee shall be responsible for assessing and facilitating the independent functioning of the Board, including:

(i) conducting an annual evaluation of the independence status of each Director candidate proposed for election at each annual

meeting and for appointment between meetings, and reporting the results of such evaluation to the Board;

(ii) reviewing the structures and procedures of the Board and its relationship to the Executives and satisfying itself that the Board can function independently of the Executives; and

(iii) reviewing the information provided to the Board to confirm it is appropriately detailed to allow for preparation for meaningful discussion and decision making at the meeting.

(j) Communications

The Committee shall review and approve the Corporation's overall communications policy and practices to oversee that the Corporation communicates effectively with its key stakeholders, news media, other interested parties and the public in accordance with all applicable laws or regulations to which the Corporation is subject.

(k) Code of Business Ethics and Standards

The Committee shall review at least once every three (3) years the Corporation's Code of Business Ethics and Standards and recommend to the Board amendments thereto.

The Committee shall also monitor any actual or potential conflicts of interest brought to its attention. (l) Strategic Planning

(i) ensure that a strategic planning process is undertaken with the Board, employees, Professional Staff and key external stakeholder involvement and with eventual approval by the Board;

(ii) measure and monitor the implementation and achievement of the Corporation's strategic plans and targets;

(iii) assist the Chief Executive Officer in developing and designing an annual Board strategic retreat, encompassing an update on the progress of achieving the strategic goals.

2.2.6 General

The Committee shall have the following additional general duties and responsibilities:

(a) annually approve a work plan to ensure the Committee fulfills its mandate and completes its work efficiently and effectively;

- (b) reporting to the Board on material matters arising at Committee meetings following each meeting of the Committee;
- (c) maintaining minutes or other records of meetings and activities of the Committee;
- (d) conducting an annual evaluation of the Committee in which the Committee (and/or its individual members) reviews the Committee's performance for the preceding year for the purpose, among other things, of assessing whether it fulfilled the purposes and responsibilities stated in this Charter;
- (e) reviewing and assessing the adequacy of this Charter at least annually and submitting any proposed amendments to this Charter to the Board for approval; and
- (f) performing such other functions and tasks as may be assigned from time to time by the Board.