Terms of Reference for the Governance Committee

Purpose

The governance committee assists the board in

- ensuring the commission has policies and practices for good governance and ethical conduct
- ensuring the board and its committees function independently
- evaluating board performance
- selecting and evaluating commissioners and planning for their succession
- such other related initiatives as may be necessary or desirable to enhance board performance

Composition and operations

The committee consists of at least three independent commissioners. The committee meets at least four times a year, and otherwise as necessary. The committee operates under the Terms of Reference for Board Committees.

Duties and responsibilities

The committee has the following specific responsibilities.

Board independence

Monitor and evaluate board processes, discussion, and decision making to ensure the board functions independently of management, and without any actual or perceived bias or conflict of interest.

Board size and composition

On an annual basis, review and assess the size and composition of the board, taking into account the needs of the commission, board independence, and any regulatory requirements.

With input from the chair and other commissioners, recommend to the board for approval

- the appropriate size of the board to facilitate effective decision making
- the appropriate composition of the board to maximize board performance and effectiveness
- any changes required to address potential independence or performance issues

Board committees

On an annual basis, assess the need for board committees and the appropriate size and composition of each committee. Advise the chair regarding each committee's membership for purposes of the chair's recommendations to the board.

Review of mandates

On an annual basis

- review the terms of reference for the board, its committees, the chair, the vice chair, committee chairs, and independent commissioners
- consider whether the division of responsibilities is appropriate and whether the terms of reference reflect actual responsibilities
- review the commission's Delegation Schedule
- recommend to the board for approval any necessary changes

Ethics and conduct policy

Review annually the ethics and conduct policy of the commission, and recommend changes as required.

Oversee compliance with the policy by

- reviewing, through the chair and human resources staff, any contraventions of the policy, and any waivers granted under the policy
- resolving any conflicts that arise under the policy
- obtaining confirmation from the chair that all commissioners and employees of the commission have filed their annual undertakings under the policy

Outside advisors
Consider all requests by individual commissioners to engage outside advisors, at the expense of the commission, and approve such requests in appropriate circumstances.

Commissioner selection and appointment
Lead the process for identifying, recruiting, and appointing independent commissioners. In consultation with the chair

- review and assess the collective skills and qualifications of the board in relation to the needs of the commission
- consider and recommend to the board the appropriate profile for potential candidates
- with input from the board, establish criteria for selection of independent commissioners and procedures to identify nominees
- oversee the search process and recommend candidates to the board for approval

At least six months before the expiry of a commissioner's term, the committee initiates a process to determine whether to recommend re-appointment of the commissioner for a further term.

Chair selection and appointment
Establish and lead the process for identifying, recruiting, and appointing the chair. The committee

- establishes criteria to be met by prospective candidates, and a broad competitive search process
- reviews and assesses qualifications of candidates and recommends a candidate to the board

Vice chair selection and appointment
Advise the chair, who establishes and leads the process for identifying, recruiting, and appointing the vice chair. Assist the chair in

- establishing criteria to be met by prospective candidates, and a broad competitive search process
- reviewing and assessing qualifications of candidates and recommending a candidate to the board

Succession planning
In consultation with the chair, develop and maintain a succession plan for the independent commissioners. Ensure the board, on a regular basis, considers succession planning for the chair and vice chair.

***Orientation and continuing education*:**
Develop, recommend to the board, and oversee programs for the orientation of new commissioners and continuing education for all commissioners.

Evaluations
Develop, recommend to the board, and oversee processes for the annual evaluation of the board, its committees, the chair, and the independent commissioners.

As part of its oversight function

- conduct a self-evaluation and review the self-evaluations of other committees
- coordinate peer and self evaluations of independent commissioners, with the results reviewed by the chair with each commissioner
- report to the board the results of the annual evaluation process and make recommendations to improve board effectiveness

Governance policies and practices

Monitor corporate governance developments and best practices by

- keeping abreast of the latest regulatory requirements, trends, and guidance in corporate governance and updating the board on corporate governance issues
- recommending appropriate changes in governance policies or practices to the board
- approving the public disclosure of governance policies and practices

Prepare and update annually a board manual, in electronic format, containing all documents relevant to the board's governance structure.

Additional responsibilities of committee chair

In addition to chairing the governance committee, the committee chair performs certain other duties to enhance board independence and effectiveness. With respect to the board, the committee chair's role is to

- chair independent commissioner meetings
  - call meetings and set meeting agendas (with input from other commissioners)
  - conduct meetings effectively and efficiently
  - ensure questions or concerns of independent commissioners are heard and discussed
  - act as the liaison between independent commissioners and the chair for issues raised in these sessions, and
  - ensure issues are followed up and resolved in a timely manner
- review and resolve conflict of interest issues involving independent commissioners, the chair, or vice chair
- assist new independent commissioners, through the orientation process, to help them be more effective
- communicate with the commission's key stakeholders in limited circumstances where the chair is absent or conflicted, including
  - acting as the primary liaison with government during the chair selection process, and
  - in other situations, as determined by the board, when the vice chair is not the appropriate delegate