

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
- establishing and implementing, together with the chair and CEO, the process for identifying, recruiting, and appointing independent commissioners
- 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 three times a year, and otherwise as necessary. The committee operates under these Terms of Reference and 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, considering board renewal and taking into account the needs of the commission, board independence, and any regulatory requirements.

With input from the chair and CEO 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 and tribunal 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 and CEO regarding each committee's membership for purposes of the chair and CEO's recommendations to the board.

Review of governance policy, terms of reference and responsibilities

On an annual basis, review and recommend to the board for approval any necessary changes to:

- the commission's governance policy
- the terms of reference for the board, board committees, and each board committee
- the commission's Delegation Schedule

Ethics and conduct policy and Public Interest Disclosure Act

Review annually the Ethics and Conduct Policy of the commission, and recommend changes as required. Oversee compliance with the policy by:

- reviewing, with the chair and CEO and human resources staff, any contraventions of the policy, and any waivers granted under the policy
- having the chair of the committee resolve any conflicts that arise under the policy involving the chair and CEO
- obtaining confirmation from the chair and CEO that all commissioners and employees of the commission have filed their annual undertakings under the policy
- review the commission's process and guidance on commissioner conflicts relating to outside activity and the annual report of exemptions granted under the Ethics and Conduct Policy to permit outside activity. Recommend changes to the process, as required

Support compliance with the *Public Interest Disclosure Act* (PIDA) by:

- considering any matters brought to the committee by the committee chair, in the capacity of designated officer under PIDA
- providing information relevant to the PIDA annual report to the person responsible for preparing the PIDA annual report
- receiving the PIDA annual report for review, prior to publication

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

Together with the chair and CEO, establish and implement the process for identifying, recruiting, and appointing independent commissioners, including:

- reviewing and assessing the collective skills and qualifications of the board in relation to the needs of the commission
- considering and recommending to the board the appropriate profile for potential candidates
- with input from the board, establishing criteria for selection of independent commissioners and procedures to identify nominees
- overseeing the search process and recommending candidates to the board for approval and recommendation to the government

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.

In considering whether to recommend re-appointment of a commissioner, the committee considers, among other things, the commissioner's skills, qualifications, length of service, and the results of the commissioner's annual performance evaluations, in the context of the existing composition of the board and the commission's need for any new skills, qualifications or perspectives on the board.

Chair and CEO selection and appointment

Establish and lead the process for identifying, recruiting, and appointing the chair and CEO. The committee:

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

Vice-chair and executive commissioner selection and appointment

Advise the chair and CEO, who establishes and leads the process for identifying, recruiting, and appointing a vice-chair or an executive commissioner. Assist the chair and CEO in:

- establishing criteria to be met by prospective candidates, and adopting 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 and CEO, develop and maintain a succession plan for the independent commissioners. Ensure the board, on a regular basis, considers succession planning for the chair and CEO, vice-chair(s) and executive commissioner(s).

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 tribunal, the chair and CEO and the vice-chair(s) (with reference to their tribunal responsibilities). Conduct peer and self-evaluation of the independent commissioners as appropriate.

As part of its oversight function:

- conduct a self-evaluation of the committee and report to the board
- coordinate peer and self-evaluations of the independent commissioners, with the

- results reviewed by the chair and CEO with each commissioner
- coordinate evaluations by the independent commissioners of each vice-chair on their leadership of the tribunal function, with the results reviewed by the chair and CEO with each vice-chair,
- report to the board the results of the annual evaluation of the board/commission 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 and public agency governance and updating the board on 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 governance manual, in electronic format, containing all documents relevant to the board's governance structure.

Additional duties of committee chair

In addition to chairing the committee, the committee chair shall perform the following duties to enhance board independence and effectiveness and promote communications among commissioners:

- act as liaison between the independent commissioners and the chair and CEO on questions or concerns of the independent commissioners
- ensure independent commissioners have input into agendas, scheduling and information provided at board meetings
- ensure information flow between the board and management is adequate and appropriate, and
- assist with communications among the independent commissioners

Specifically, the committee chair shall:

- chair independent commissioner meetings
 - o call meetings and set meeting agendas (with input from other commissioners)
 - o conduct meetings effectively and efficiently
 - o ensure questions or concerns of independent commissioners are heard and discussed
 - o act as the liaison between independent commissioners and the chair and CEO for issues raised in these sessions, and
 - o ensure issues are followed up and resolved in a timely manner
- review and make recommendations on board meeting agendas
- review and resolve conflict of interest issues involving independent commissioners, the chair and CEO, or a vice-chair. In the case of a conflict of interest arising from an independent commissioner's outside activity that would require an exemption from the Ethics and Conduct Policy, the Chair and CEO will make the exemption decision and may consult with the Chair of the Governance

Committee.

- assist new independent commissioners, through the orientation process, to help them be more effective
- meet separately, at least once annually, with
 - o each independent commissioner
 - o each vice-chair, and
 - o each direct report of the chair and CEOto discuss board independence and the adequacy of information flow between the board and management
- communicate with the commission's key stakeholders in limited circumstances where the chair and CEO is absent or conflicted, including
 - o acting as the primary liaison with government during the chair and CEO selection process, and
 - o in other situations, as determined by the board, when a vice-chair is not the appropriate delegate

The grant of these additional duties to the committee chair is meant to enhance (and not curtail) direct communications among the independent commissioners, between the independent commissioners and the chair and CEO, or between the independent commissioners and management. As each commissioner is an independent decision-maker, these additional duties do not pertain to tribunal functions.