

## **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, 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 four 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, 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 Governance Policy, terms of reference and responsibilities***

On an annual basis

- review the commission's governance policy, the terms of reference for the board and the board committees,
- 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***

Together with the chair, 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.

***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 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, who establishes and leads the process for identifying, recruiting, and appointing a vice chair or an executive commissioner. Assist the chair 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, develop and maintain a succession plan for the independent commissioners.

Ensure the board, on a regular basis, considers succession planning for the chair, 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 chair and the other commissioners.

As part of its oversight function

- conduct a self-evaluation of the governance committee and report to the board
- coordinate peer and self -evaluations of the independent commissioners, with the results reviewed by the chair with each commissioner
- 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 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.