



AFMC Board of Directors Governance Manual (Version 2.4)

DATE OF APPROVAL: April 2017 (version 2.0)
Revised April 2019 (version 2.1)
Revised January 2021 (version 2.2)
Revised April 2021 (version 2.3)
Revised June 2021 (version 2.4)

Table of Contents

Introduction

Governance Overview

Section 1: Accountabilities, Roles and Responsibilities

- 1.1 Principles of Governance and Board Accountability
- 1.2 Roles and Responsibilities of the Board of Directors
 - 1.2.1 Procurement and Signing Authority
- 1.3 Responsibilities as an Individual Director
- 1.4 Responsibilities of Board Officers
 - 1.4.1 Chair
 - 1.4.2 Chair Elect
 - 1.4.3 Immediate Past Chair
- 1.5 Responsibilities of Standing Committee Chairs

Section 2: Governance Structure

- 2.0 Delegated Accountability and Authority to the President and Chief Executive Officer (CEO)
- 2.1 Annual Meeting of Members of the Corporation
- 2.2 Board of Directors
- 2.3 Board Standing Committees
 - 2.3.1 Standing Committee Principles
 - 2.3.2 Standing Committee Terms of Reference

Section 3: Board Processes

- 3.0 Matters Requiring Board Approval
- 3.1 Guidelines for Nomination of the Public Members of the Board of Directors
- 3.2 Nomination Process for Board Chair and Chair-Elect
- 3.3 Board Orientation and Development
- 3.4 Board Goals and Work plan
- 3.5 Conflict of Interest
- 3.6 Board Meetings
- 3.7 Board Evaluation
- 3.8 Reimbursement of Director expenses
- 3.9 President and CEO Recruitment and Selection
- 3.10 President and CEO Performance Management and Evaluation
- 3.11 Review of Board Policies
- 3.12 Board Decision Communication Process
- 3.13 Designated Corporate Authorizing Officers

Introduction

The AFMC Board of Directors Governance Manual is designed to provide board members with an overview of the organization, and to highlight the philosophy, structures and methods by which AFMC is governed. There is a website www.afmc.ca where board members can obtain more detailed information regarding the AFMC and its activities.

Founded in 1943, the Association of Faculties of Medicine of Canada (AFMC) represents Canada's 17 faculties of medicine and is the voice of academic medicine in this country. The AFMC works to represent and support the mandates of our medical faculties – research, medical education and clinical care.

The AFMC has a focus on the social accountability of medical schools and a firm commitment to the World Health Organization's statement that “[Medical schools have] the obligation to direct their education, research and service activities towards addressing the priority health concerns of the community, region, and/or nation they have a mandate to serve. The priority health concerns are to be identified jointly by governments, health care organizations, health professionals and the public”.

Governance Overview

The AFMC is a Not-for-Profit corporation whose mandate is to promote the advancement of academic medicine in Canada. The Association is a registered charity. The By-law was last updated in 2014 and the most recent version is available in Appendix A. The purpose of this Policy Manual is to provide greater detail and clarity on matters within the By-law or to address governance matters which are not included in the By-law.

The Members of the Corporation are the 17 Faculties of Medicine. The Board of Directors is comprised of 21 members including the 17 seventeen Deans of the Faculties of Medicine and since 2006, four public members. This change in board structure is a major signal that the AFMC wishes to have the input of experienced leaders beyond academic medicine.

In addition to its fiduciary responsibilities, the Board plays a key role in strategy development and policy advice. The Board currently meets four times per year and holds numerous monthly calls.

The Board is supported by the following Standing Committees at this time: Executive; Governance and Nominating; Finance, Audit and Risk Management; Research and Innovation; Education; and Social Accountability, each meets in advance of every Board meeting.

SECTION 1 – ACCOUNTABILITIES, ROLES AND RESPONSIBILITIES

1.1 PRINCIPLES OF GOVERNANCE AND BOARD ACCOUNTABILITY

- ❖ The Board of Directors (Board) governs the Association of Faculties of Medicine of Canada (AFMC) through the direction and supervision of the business and affairs of the organization in accordance with its by-law, vision, mission and values, governance policies and applicable laws and regulations.
- ❖ The Board adheres to a model of governance through which it provides strategic leadership and direction to the AFMC by establishing policies, making governance decisions, monitoring performance related to the key dimensions of the AFMC’s mission, as well as evaluating its own effectiveness and by building external relationships.
- ❖ The Board acts at all times in the best interests of the AFMC.
- ❖ The Board maintains a culture based on the values as approved by the Board and strives for a collaborative approach to decision-making, open debate and a forthright examination of all issues while respecting and valuing dissenting views.
- ❖ The Board maintains at all times a clear distinction between the governance and operation of the AFMC, while recognizing the interdependencies between them.
- ❖ Consistent with its commitment to governance best practice and timely access to information, the Board will publish on the AFMC website:
 - A list of current Directors;
 - the Annual Report, which will include a report on performance and the annual audited financial statements;
 - the By-law;
 - the Governance Policy Manual, which includes Standing Committee Terms of Reference;
 - the membership of Board Standing Committees.

1.2 ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Roles of the Board

Policy Formulation

Establish policies to provide guidance to those empowered with the responsibility to lead and manage AFMC operations.

Decision-Making

On matters that specifically require Board approval, choose from alternatives that are consistent with Board policies and that are in the best interest of the AFMC.

Oversight

Monitor and assess organizational processes and outcomes.

Responsibilities of the Board

Strategic Direction

- ❖ Consider key stakeholders when developing plans and setting priorities for AFMC activities;
- ❖ Establish and periodically review the AFMC vision, mission and values;
- ❖ Contribute to the development of and approve the strategic plan, including strategic goals;
- ❖ Conduct a review of the progress of implementation of the strategic plan as part of a regular annual planning cycle;
- ❖ Ensure that the Board's decisions are consistent with the AFMC mission, vision, values and strategic plan; and
- ❖ Monitor organizational performance regularly against the approved strategic plan and Board approved performance targets and metrics.

Excellent Leadership and Management

- ❖ Delegate responsibility and authority to the President and CEO for the management and operation of the AFMC and require accountability to the Board;
- ❖ Establish a formal performance agreement with measurable annual performance expectations in cooperation with the President and CEO; review President and CEO performance at least annually;
- ❖ Ensure plans are in place for President and CEO and management team succession;
- ❖ Receive timely reports from the President and CEO on performance metrics, plans to address variances from performance targets, and oversee implementation of the remediation plans.

Program Quality and Effectiveness

- ❖ Promote collaboration among the Faculties of Medicine in shared initiatives and monitor the performance of AFMC in serving as the voice for academic medicine in education and research.

Financial and Organizational Viability and Risk Management

- ❖ Review and approve the annual budget and annual operational plan;
- ❖ Review quarterly reports on financial performance against budget;
- ❖ Review and approve the annual audited financial statement;
- ❖ Review and approve major procurement and externally funded project agreements and monitor progress regularly;
- ❖ Approve the Investment Policy and receive regular reporting on the investment portfolio;
- ❖ Review financial and organizational risks and risk mitigation plans annually;
- ❖ Approve the membership dues policy.

Board Effectiveness

- ❖ Recruit Public Members who are skilled, experienced, and committed to the AFMC and plan for the succession of Public Members and Board Officers;
- ❖ Establish a comprehensive Board orientation program and ongoing Board education with respect to the Board’s governance responsibilities;
- ❖ Establish Board goals and an annual work plan for the Board and its committees and ensure that the Board receives timely appropriate information to support informed policy formulation, decision-making and monitoring;
- ❖ Establish and periodically review policies concerning governance structures and processes to maximize the effective functioning of the Board;
- ❖ Establish a policy and process for evaluating the performance of the Board as a whole that fosters continuous improvement.

External Relationships

- ❖ Ensure that mechanisms are in place for effective two-way communication externally with stakeholders.

1.2.1 PROCUREMENT AND SIGNING AUTHORITY

Purpose

The purpose of the Procurement and Signing Authority policy is to:

- ❖ Designate the respective authorization levels for the President and Chief Executive Officer (CEO) and Board of Directors with respect to approvals and signing authority, related to procurement (including leasing, purchasing, tenders and contracting in respect of capital and real property, goods, and services) and externally funded project agreements.
- ❖ Ensure appropriate Board oversight of the execution and progress of major procurements and externally funded project agreements.

1.3 RESPONSIBILITIES AS AN INDIVIDUAL DIRECTOR

The following is a statement of responsibilities for individual Directors, which should also be understood as the Board of Directors Code of Conduct. All Directors will complete a Director’s Declaration of commitment to and compliance with these responsibilities annually.

Fiduciary Duty and Duty of Care

As a fiduciary of the Corporation, a Director acts ethically, honestly, and in good faith with a view to the AFMC’s best interests and in so doing, supports the AFMC in fulfilling its mission and

discharging its responsibilities. A Director exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

A Director commits to the vision, mission and values of AFMC and complies with the by-law, applicable laws and regulations and Board policies.

Exercise of Authority

A Director carries out the powers of office only when acting as a member during a duly constituted meeting of the Board or one of its committees. A Director respects the responsibilities delegated by the Board to the President and CEO, avoiding interference with their duties but insisting upon accountability to the Board and reporting mechanisms for assessing organizational performance.

Conflict of Interest

A Director does not place him/herself in a position where his/her personal and business interests conflict with those of the AFMC. A Director complies with the Conflict of Interest Agreement.

Team Work

A Director maintains effective relationships with Board members, management and stakeholders by being open, frank, clear and concise when speaking and working positively, cooperatively and respectfully with others in the performance of his or her duties while exercising independence in decision making.

Participation

A Director comes prepared to Board and committee meetings, participates actively in them, bringing intellectual rigour and solid leadership experience; asks informed questions, and makes a constructive contribution to discussions. A Director adds value to the organization by moving beyond the fiduciary and strategic roles of the board to assist the organization in thinking innovatively about its activities and opportunities.

Time and Commitment

A Director is expected to review pre-circulated material in preparation for attendance at Board meetings and assigned committee meetings. A Director is expected to attend the meetings of the Board and the committees of which he/she is a member. Directors who fail to meet the attendance requirements are subject to review by the Chair incorporating appropriate consultation. Subject to extenuating circumstances, a Public Member who consistently fails to meet the attendance requirements, may be asked to step down from the Board.

All Directors are expected to serve on at least one Board Standing Committee and to represent the Board when requested by the Board/Board Chair.

Board Solidarity and Communications

The official spokesperson for the Board is the Chair or the Chair's designate. A Director supports the decisions and policies of the Board in discussions with outsiders, even if the Director holds another view or voiced another view during a Board discussion or was absent from the Board meeting. A Director refers requests for statements on behalf of the Board to the Board Chair.

Formal Dissent

A Director reviews the minutes of the previous meeting on receipt and insists that they record any Director's disclosure of conflict, abstention or dissent. A Director who is absent from a Board meeting is deemed to have supported the decisions and policies of the Board taken in his or her absence unless he or she formally records a dissenting view with the Executive Assistant to the Board. While an absent Director may formally record a dissenting view at the next meeting at which the Director is in attendance, this does not change the decision reached by the Board. This specific component of Responsibilities as an Individual Director should be brought to the attention of the Board of Directors regularly to ensure individual and collective understanding of this responsibility.

Confidentiality

Every Director shall respect the confidentiality of matters brought before the Board and all committees, keeping in mind that unauthorized disclosure of information could adversely affect the AFMC's interests.

Education

A Director seeks opportunities to be educated and informed about the Board and the AFMC key issues through review of the Board Governance Manual and participation in Board orientation and ongoing Board education.

Evaluation and Continuous Improvement

A Director is committed to a process of continuous self-improvement as a Board member. All Directors participate in evaluation of the Board as a whole and act upon results in a positive and constructive manner.

1.4 RESPONSIBILITIES OF BOARD OFFICERS

1.4.1 The Board Chair

The Chair of the Board of the AFMC shall perform all such duties as are customary for a chair of a board or corporation of similar size and operation. The Board Chair leads the Board of Directors and is responsible for:

- ❖ Ensuring the integrity and effectiveness of the Board’s governance role and processes;
- ❖ Establishing the Board meeting agenda with the President and CEO;
- ❖ Presiding at meetings of the Board and Members;
- ❖ Presiding at meetings of the Board Executive Committee;
- ❖ Representing the Board to external parties and stakeholders; maintaining effective relationships on behalf of the Board with the President and CEO and Board Members;
- ❖ Approving AFMC funded international travel by the President and CEO;
- ❖ Reviewing and approving expense claims of the President and CEO.

Term

The Chair is appointed by the Directors. The Chair normally serves for two years. In unusual circumstances, the term may be extended by one year.

1.4.2 *The Chair-Elect*

Continuity for the Board and the position of Chair is fundamental for effective governance. The Chair-Elect is to be considered the successor to the Chair.

The Board must formally elect the next Chair at an appropriate time (usually at the end of the 1st year of the term of the current Chair). In the months leading up to this point, the Governance and Nominating Committee will discuss possible candidates to become Chair-Elect after receiving the advice of the Directors and the President and CEO. Using this information, a candidate for Chair-Elect will be recommended by the Governance and Nominating Committee through the Executive Committee to the Board of Directors for approval.

Note: See Policy 3.2 Nomination process for further details on the Nominations process.

The Chair-Elect shall, in the absence or disability of the Chair, perform the duties and exercise the powers of the Chair and shall perform such other duties as may be determined by the Board from time to time.

Term

The Chair-Elect shall normally serve a term of one year.

1.4.3 *The Immediate Past Chair*

The Immediate Past Chair shall perform all such duties, as determined by the Board from time to time. The Past Chair shall serve for a period of one year.

1.5 RESPONSIBILITIES OF A STANDING COMMITTEE CHAIR

A Standing Committee Chair, with assigned staff support, provides leadership to the committee. He or she ensures that the terms of reference of the committee are followed. He or she

effectively manages issues to promote effective dialogue. He or she respects that the committee has no direct management role with staff.

Responsibilities include:

- ❖ Establishing agendas in collaboration with the staff resource and presiding over meetings of the committee;
- ❖ With the assistance of the staff resource, developing a work plan for the committee;
- ❖ Encouraging active participation and ensuring a fair discussion, especially when differences and conflicting opinions arise;
- ❖ Reviewing the briefing note and recommendations prepared by the staff resource for submission to the Board;
- ❖ Reporting to the Board on the key issues and recommendations for consideration and approval by the Board.

The Chair of the Standing Committee on Research and Innovation, the Standing Committee on Social Accountability and the Standing Committee on Education must be Deans of Medicine. Otherwise, Standing Committee Chairs may be either Deans of Medicine or Public Members.

Term

Standing Committee Chairs shall be elected annually by the Board on the recommendation of the Governance and Nominating Committee for a maximum of three one-year terms. In exceptional circumstances and with Board approval, the term may be extended.

Note: See Policy 2.3 Standing Committee Principles: Membership and Term re process for nomination of Standing Committee Chairs and Members

SECTION 2 – GOVERNANCE STRUCTURE

2.0 DELEGATED ACCOUNTABILITY AND AUTHORITY TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO)

The President and CEO is accountable to the Board to ensure that AFMC has in place administrative policies and rules related to corporate procurement, externally funded project agreements and signing authority that are aligned with this Board policy.

The President and CEO is accountable to the Board for ensuring that adequate internal controls and processes are in place.

Following Board approval of the Annual Budget, the President and CEO has approval to authorize tender requests, contracts, contract amendments, purchase orders and invoices that remain within the budget estimates. The President and CEO may designate such approval which will be set forth in relevant administrative policies.

Following Board approval of procurement or externally funded projects/agreements as defined in section 3.0, the President and CEO has approval to authorize contracts, documents or other instruments in writing and will provide regular progress reports to the Board through the Audit Finance and Risk Management Committee.

2.1 ANNUAL GENERAL MEETING (AGM) OF MEMBERS OF THE CORPORATION

As stated in the By-law, the Members of the Corporation are the 17 Faculties of Medicine in Canada.

This meeting takes place at the fall Board of Director's meeting. The voting members at the Annual Meeting are the 17 Deans of Medicine. The Public members of the Board of Directors and AFMC staff will also be invited to attend.

The business transacted at the Annual Meeting of AFMC will include:

- ❖ Receipt and approval of the annual financial statements of AFMC for the period ended June 30th, and the report of the auditors;
- ❖ Approval of by-law amendments as recommended by the Board of Directors from time to time;
- ❖ Appointment of the auditors for the AFMC and authorization for the Board of Directors to establish the remuneration for the auditors;
- ❖ Election of the Board of Directors;
- ❖ Such other business as may properly be brought before the meeting.

2.2 COMPOSITION OF THE BOARD OF DIRECTORS

Article 4 of the By-law provides for the composition of the AFMC Board of Directors. The Board is comprised of 21 Directors, including the 17 Deans of the Faculties of Medicine in Canada and four Public Members, nominated by the Governance and Nominating Committee and recommended by the Board for approval by the Members of the Corporation at the Annual General Meeting.

The Deans of Medicine are effectively ex-officio Directors whose term coincides with their term as Dean.

Public Members

The four Public Members include three individuals drawn from the public at large, whose experience, expertise or other qualification would benefit and enhance the operation of the Board and one “learner” within a faculty of Medicine. Such independent directors shall be elected by the members of AFMC at their annual general meeting for a term of no less than one (1) year, which can be renewed and extended at the discretion of the members.

The term for a Public Member will be three (3) years, normally renewable twice for a total of nine (9) years. A public member who holds the position due to the status of “learner” within a faculty of medicine can only maintain the position of public board member for as long as he or she is a learner.

2.3 BOARD STANDING COMMITTEES

Section 7.01 of the By-law stipulates that the Board may establish committees as the Board deems appropriate. At this time, there are six standing committees of the Board; the Executive Committee, the Audit, Finance and Risk Management Committee; the Governance and Nominating Committee, the Standing Committee on Education, the Standing Committee on Research and Innovation and the Standing Committee on Social Accountability.

Board AdHoc Committees

The Board will approve terms of reference and membership of Ad Hoc Committees as required, on the recommendation of the Executive Committee / Governance and Nominating Committee.

Considerations prior to establishing a new Ad Hoc Committee:

1. Has the AFMC Board agreed to address a time-limited matter of urgency / priority to the Board?
2. What is the most appropriate mechanism available to address this matter?
 - a. an AFMC (operational) Committee with Board oversight
 - b. add to the mandate of an existing Board Standing Committee which may wish to establish a time-limited working group
 - c. expansion of the mandate of an existing Ad Hoc or Standing Committee with a related mandate
 - d. establishment of a new Ad Hoc Committee

- e. Other
- 3. What is the appropriate balance between Board members, staff and others and optimal number of members to effectively implement the mandate?
- 4. What is the accountability, timeline and reporting relationship?
- 5. What are the implications for Board member and staff time and resources?

The Committee Chairs and members are approved by the Board immediately after the Annual General Meeting (AGM) each year.

2.3.1 BOARD STANDING COMMITTEE PRINCIPLES

Relationship between the Board and Board Standing Committees

- ❖ The Board will approve terms of reference and membership of the Board Standing Committees annually on the recommendation of the Governance and Nominating Committee as soon as possible following the annual meeting.
- ❖ The Board will monitor the performance of its Board Standing Committees at each regular Board meeting through a summary written report and a verbal report by the committee chair related to specific recommendations of the Board committee for approval by the Board.
- ❖ The Terms of Reference for Board Standing Committees will be reviewed annually by the respective committee, which will make recommendations to the Governance and Nominating Committee and thereafter to the Board for approval as appropriate.
- ❖ Board Standing Committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such delegation will be framed so as to not conflict with the authority delegated to the President and CEO.
- ❖ Unless otherwise specified, Board Standing Committees may not commit or bind the Corporation to any course of action and no decision of a committee is binding on the Board until approved or ratified by the Board.
- ❖ Unless otherwise authorized to do so, a Board committee may not engage independent legal counsel or consulting advice without prior Board approval.

Mandate of Board Standing Committees

- ❖ The number and type of committees should support the Board in fulfilling its defined responsibilities and maximizing the participation of individual Directors.
- ❖ The Board as a whole is responsible and accountable for the work that is done on its behalf by committees, task groups, etc.
- ❖ The mandate for each Board Standing Committee is outlined in a terms of reference.
- ❖ Board Standing Committees should establish work plans and work products for Board approval.
- ❖ The Board, through the Governance and Nominating Committee should conduct a periodic review of Board Standing Committees to ensure the continuing relevance of their mandate and membership.

Membership and Term

- ❖ The responsibility for Board Standing Committee participation should be balanced among all Directors.
- ❖ All Directors should be expected to serve on at least one Board Standing Committee.
- ❖ Board Standing Committee Terms of Reference should specify a defined number of Committee members.
- ❖ The Chair and members of Board Standing Committees are appointed annually by the Board on the recommendation of the Governance and Nominating Committee, following a canvass of Directors for their interests and preferences.
- ❖ Normally, Chairs and members of Board Standing Committees are expected to serve a minimum of three years in their respective positions on any individual Committee. All Board members will be surveyed annually for an expression of interest with respect to rotating to a different Standing Committee or assuming the Chair of their current Standing Committee in the event that the incumbent Chair has served a minimum of three years. Ideally, Directors will rotate Committees during their term as a Director to broaden their understanding of the Board's work.
- ❖ The AFMC President and CEO, Executive Assistant to the Board and senior Management Team are resources to the Board Standing Committees.

2.3.2 **BOARD STANDING COMMITTEE TERMS OF REFERENCE**

2.3.2.1 **EXECUTIVE COMMITTEE**

Role

The Executive Committee acts on behalf of the Board of Directors on matters as required between Board meetings, including conducting routine activities as delegated by the Board.

Responsibilities

The Committee shall:

- ❖ Provide general supervision of the conduct of the Corporation's affairs between Board meetings as delegated by the Board;
- ❖ Oversee the selection process for the President & CEO; (Note: also see Governance Policy 3.9)
- ❖ Undertake the annual assessment of the President and CEO's objectives and performance, and provide direct input to the Chair of the Board who will, in concert with the Past Chair and / or Chair Elect, provide the results of the Performance Appraisal to the President and CEO; (Note: also see Governance Policy 3.10)
- ❖ Exercise such powers as delegated to it by the AFMC Board;
- ❖ Oversee the preparation of the AFMC Strategic Plan and specific strategic initiatives in development;
- ❖ Advise and assist the President & CEO in the preparation of agendas for meetings of the Board and other extraordinary meetings as may arise from time to time;
- ❖ Provide guidance and advice to President and CEO on issues of concern; and,

- ❖ Act on behalf of the organization if for any reason the President and CEO is unable to do so.

Membership

The Committee shall consist of:

- ❖ Chair of the Board, who will also serve as Chair;
- ❖ Chairs of each AFMC Standing Committee;
- ❖ Board Chair-Elect;
- ❖ The Board Past Chair (at the discretion of the Board Chair and/or in the Board Chair's absence);
- ❖ Public Member.

Accountability and Reporting Relationship

The Executive Committee is accountable to the Board of Directors. All actions taken by the Executive Committee are subject to disclosure to the Board.

Quorum

A majority of director members shall constitute a quorum.

Meeting Schedule

The Executive Committee shall meet prior to each Board meeting and as required.

Staff and Resource Support

The President and CEO will serve as lead staff liaison and the Executive Assistant to the Board shall provide support to the Committee.

Date of Last Review and Approval: Board of Directors: April 2019

2.3.2.2 AUDIT, FINANCE AND RISK MANAGEMENT COMMITTEE

Role

The Audit, Finance and Risk Management Committee oversees all financial aspects of the organization and reports to the Board of Directors.

Responsibilities

The Audit, Finance and Risk Management Committee has the responsibility for advising the Board of Directors broadly on the AFMC budget, financial approvals and reporting, audits and control practices, including:

Audit

- ❖ Oversee the reliability and integrity of the accounting principles and practices used by the AFMC, including:
 - Reviewing all critical accounting policies and practices, including all alternative treatments of financial information, etc.

- Reviewing any major issues regarding accounting principles;
- ❖ Oversee management’s establishment of an adequate system of internal controls and procedures and effective performance of those internal controls and procedures;
- ❖ Oversee the AFMC financial statements and other reporting, including:
 - Reviewing and discussing with management the quarterly interim financial statements and reporting to the Board
 - Receiving all reporting from the external auditor (e.g., the external auditor reports to the Audit, Finance and Risk Management Committee)
 - Recommending to the Board of Directors and Members of the Corporation approval of the audited financial statements
 - Reviewing Financial Statement disclosure principles and practices followed by management
- ❖ Oversee the external auditor’s qualifications, independence and performance, including:
 - Recommending the external auditor for appointment or replacement to the Board of Directors and Members of the Corporation;
 - Recommending compensation of the external auditor to the Board of Directors;
 - Reviewing and pre-approval of all significant audit and non-audit services to be performed by the external auditor;
 - Reviewing the overall scope of the external audit plan at least annually;
 - Receiving all reporting from the external auditor in an in-camera session (i.e., the external auditor reports to the Audit, Finance and Risk Management Committee);
 - Confirming the external auditor’s independence, including reviewing the AFMC hiring policies for employees or former employees of the external auditor.

Finance

- ❖ Oversee of AFMC’s annual budget process. Review the draft annual budget and recommend approval by the Board;
- ❖ Review major procurement and externally funded project agreements and recommend approval by the Board (Note: see also Policy 1.2.1 Procurement and Signing Authority)
- ❖ Oversee the administration of the Investment Policy and portfolio and recommend any major changes in the Investment Policy or portfolio for approval by the Board;
- ❖ Oversee the association’s reserves and their ability to provide for contingencies;
- ❖ Oversee implementation of the AFMC Fraud Policy, investigate any claims against the President and CEO and, where required, management, and report to the Board of Directors.

Risk Management

- ❖ Review the AFMC financial and organizational risks and report annually to the Board on the processes required to ameliorate them.

Other responsibilities as delegated to it by the Board of Directors.

Membership

The Standing Committee on Audit, Finance and Risk Management shall consist of:

- ❖ Three Directors, one of whom shall serve as Chair;

- ❖ The Board Chair, ex-officio voting;
- ❖ The Board Past Chair, ex-officio voting (at the discretion of the Board Chair and/or in the Board Chair's absence)
- ❖ Chair Elect, ex-officio voting;
- ❖ The President and CEO, ex-officio non-voting.

Accountability and Reporting Relationship

The Standing Committee on Audit, Finance and Risk Management is accountable to and reports to the Board.

Quorum

A majority of director members shall constitute a quorum.

Meeting Schedule

The Committee will meet at least three times per year. The Chair will ensure that the Committee meets with the external auditor privately (without management) at least once per year and otherwise as required. A report of each meeting must be prepared and circulated to the Board of Directors in advance of the next meeting of the Board of Directors.

Staff and Resource Support

The Committee will be supported by the President and CEO and the Executive Assistant to the Board.

Work Plan:

The Committee will develop an annual work plan that fulfills the responsibilities of the Committee for Board approval;

Date of Last Review and Approval: Board of Directors: April 2019

2.3.2.3 GOVERNANCE AND NOMINATING COMMITTEE

Role

The Governance and Nominating Committee develops, advises and recommends to the Board the approaches and methods by which the Board will govern the organization so that it achieves its Mission and Vision.

It recommends the AFMC Board of Directors Officers, chairs and members of Board Standing Committees and slate of public members for election to the AFMC Board of Directors.

Responsibilities

The following are the responsibilities of the Committee on Governance and Nominating:

- ❖ The Committee will develop an annual work plan that fulfills the responsibilities of the Committee for Board approval;
- ❖ Define the principles of governance and Board accountabilities that will ensure that the Board is operating at a high level of effectiveness;
- ❖ Recommend structures and methods to enable the desired governance principles to be realized;
- ❖ Ensure that the Board policies and by-law are consistent with recognized leading governance practice and recommend changes as required from time to time;
- ❖ Identify the competencies required for the public member positions on the Board, the members of the Board Standing Committees and the Chairs of AFMC Committees when a vacancy occurs;
- ❖ Implement a systematic and transparent process of recruitment and nomination of individuals who meet the desired competencies for Public Member, for approval by the Board of Directors and Members of the Corporation;
- ❖ Oversee the orientation program for new Directors including both Deans of Medicine and Public Members and identify topics for ongoing education of the Board as a whole;
- ❖ Support the Board in the implementation of the annual evaluation of the performance of the Board as a whole.

Membership

The Governance and Nominating Committee shall consist of:

- ❖ Four directors, one of whom shall serve as Chair
- ❖ the Board Chair, ex-officio
- ❖ the Past Chair, ex-officio voting (at the discretion of the Board Chair and/or in the Board Chair's absence)
- ❖ Chair-Elect (ex-officio voting)
- ❖ the President and CEO (ex-officio non-voting)

Accountability and Reporting Relationship

The Governance and Nominating Committee is accountable to and reports to the Board.

Quorum

A majority of director members shall constitute a quorum.

Meeting Schedule

The Committee is expected to meet at least three times a year. A report of each meeting will be prepared and circulated to next meeting of the Board of Directors.

Staff and Resource Support

The Committee will be supported by the President and CEO and the Executive Assistant to the Board.

Date of Last Review and Approval: Board of Directors: April 2019

2.3.2.4 STANDING COMMITTEE ON EDUCATION

Role

The Standing Committee on Education provides support to the Board in fulfilling its responsibilities to implement the strategic plan as it relates to education through policy recommendations and oversight of AFMC activities related to the education mandate.

Responsibilities

The Committee shall:

- ❖ Oversee the integrity of the Corporation’s activities related to the education mandate, including the activities of accountable AFMC committees;
- ❖ As appropriate, develop an annual work plan that fulfills the responsibilities of the Committee for Board approval;
- ❖ Identify and recommend priorities in education that should be collectively addressed under the direction of the Board;
- ❖ Make policy recommendations to the Board;
- ❖ Perform other tasks as requested by the Board;
- ❖ Have the ability to request that AFMC committees perform certain tasks, including the production of briefing notes; and,
- ❖ Prepare an annual review and report of Committee performance for Board approval.

Membership

The Committee shall consist of:

- ❖ Four (4) Directors, including the learner member;
- ❖ The Chairs of the AFMC Committees on Undergraduate Medical Education, Postgraduate Medical Education and Continuing Professional Development and the AFMC Committee on Student Affairs;
- ❖ The President & CEO, ex-officio, non-voting member;
- ❖ The Board Chair, ex-officio, voting member
- ❖ The Board Chair Elect, ex-officio, voting member
- ❖ the Past Chair, ex-officio, voting (at the discretion of the Board Chair and/or in the Board Chair’s absence)

The Chair and Director members will be nominated by the Governance and Nominating Committee and approved by the Board.

The non-Director members will be nominated by their respective committees and approved by the Standing Committee on Governance and Nominating and the Board.

Accountability and reporting relationship

The Standing Committee on Education is accountable to and reports to the Board. The AFMC Committees on Undergraduate Medical Education and Postgraduate Medical Education are accountable to and report to the Standing Committee on Education. The Standing Committee

may mandate additional AFMC committees as needed from time to time to accomplish its mandate (e.g., Continuing Professional Development, Student Affairs etc.).

Quorum

A majority of Director members shall constitute a quorum

Meeting Schedule

The Standing Committee on Education shall meet annually three times by teleconference, or at the request of the Chair.

Staff and Resource Support

The VP Education will serve as lead staff liaison and shall provide resource support to the Committee along with the Executive Assistant to the Board.

Date of Last Review and Approval: Board of Directors: April 2019

2.3.2.5 STANDING COMMITTEE ON RESEARCH AND INNOVATION

Role

The Standing Committee on Research and Innovation provides support to the Board in fulfilling its responsibilities to implement the strategic plan as it relates to research through policy recommendations and oversight of AFMC activities related to the research mandate.

Responsibilities

The Committee shall:

- ❖ Oversee the integrity of the Corporation's activities related to the research mandate, including the activities of accountable AFMC committees;
- ❖ As appropriate, develop an annual work plan that fulfills the responsibilities of the Committee for Board approval;
- ❖ Identify and recommend priorities in research, including research and advocacy, that should be collectively addressed under the direction of the Board;
- ❖ Make policy recommendations to the Board;
- ❖ Perform other tasks as requested by the Board;
- ❖ Have the ability to request that AFMC committees perform certain tasks, including the production of briefing notes; and
- ❖ Prepare an annual review and report of Committee performance for Board approval.

Membership

The Committee shall consist of:

- ❖ Three (3) Directors, one of whom shall serve as Chair;
- ❖ Chairs and up to one additional member each of the AFMC Vice-Deans of Research and Innovation Committee and the AFMC Graduate Studies Committee;
- ❖ The President & CEO, ex-officio, non-voting member;
- ❖ The Board Chair, ex-officio, voting member;

- ❖ The Board Chair-elect, ex-officio, voting member;
- ❖ The Past Chair, ex-officio voting (at the discretion of the Board Chair and/or in the Board Chair's absence).

The Chair and Director members will be nominated by the Governance and Nominating Committee and approved by the Board.

The non-Director members will be nominated by their respective committees and approved by the Governance and Nominating Committee and the Board.

Accountability and Reporting Relationship

The Standing Committee on Research and Innovation is accountable to and reports to the Board.

The AFMC Vice-Deans of Research Committee and AFMC Graduate Studies Committee are accountable to and report to the Standing Committee on Research and Innovation.

Quorum

A majority of Director members shall constitute a quorum.

Meeting Schedule

The Standing Committee on Research and Innovation shall meet at least three times by teleconference, or at the request of the Chair.

Staff and Resource Support

The VP Research will serve as lead staff liaison and shall provide resource support to the Committee along with the Executive Assistant to the Board.

Date of the Last Review and Approval: Board of Directors: April 2019

2.3.2.6 STANDING COMMITTEE ON SOCIAL ACCOUNTABILITY

To follow

SECTION 3 – BOARD PROCESSES

3.0 Matters requiring Board Approval

3.1 Guidelines for Nomination of the Public Members of the Board of Directors

3.2 Nomination Process for the Chair and Chair Elect

3.3 Board Orientation and Development

3.4 Board Goals and Work Plan

3.5 Conflict of Interest Guidelines

3.6 Board meetings

3.7 Board Evaluation

3.8 Reimbursement of Director expenses

3.9 President and CEO Recruitment and Selection

3.10 President and CEO Performance Management and Evaluation

3.11 Review of Board Policies

3.12 Board Decision Communication Process

3.13 Designated Corporate Authorizing Officers

3.0 MATTERS REQUIRING BOARD APPROVAL

On the recommendation of the Audit, Finance and Risk Management Committee, prior Board approval by resolution is required for any of the following:

- ❖ Non-budget procurement contracts/agreements in excess of \$100,000, by which AFMC receives service from a third party, and which are not terminable by AFMC without liability upon giving no more than 90 days notice;
- ❖ Multi-year budget approved procurement contracts/agreements by which AFMC receives service from a third party, where the contract/agreement amount varies from the approved budget by an amount in excess of \$100,000, and which are not terminable by AFMC without liability upon giving no more than 90 days notice;

- ❖ Externally funded programs/project contract/agreements in excess of \$100,000, by which AFMC receives funding support and/or provides services to a third party and which are not terminable by AFMC without liability upon giving no more than 90 days notice;
- ❖ The sale, lease, exchange, transfer or other disposition of any assets of the Corporation that are not otherwise governed under an existing or approved agreement, which individually or cumulatively exceeds \$100,000;
- ❖ All real estate property purchases and sales.

3.1 GUIDELINES FOR NOMINATION OF THE PUBLIC MEMBERS OF THE BOARD OF DIRECTORS

The Guidelines for Nomination of the Public Members set out a systematic and transparent criteria and process by which the Governance and Nominating Committee will recommend one or more Public Member candidates for approval by the Board and subsequent election by the Members at the Annual General Meeting.

3.1.1 Principles

The AFMC Board of Directors wishes to have the input of experienced leaders that bring a perspective beyond the formal leadership of academic medicine.

The Public Members include three (3) individuals from the broader community who bring a diversity of additional skills and expertise as required by the Board over time and one (1) individual who is currently enrolled as a medical student or resident in a Canadian Faculty of Medicine and brings the perspective of the learner community. Selection will also be based on current composition of the Board and consider the desired diversity, such as geography, gender and language.

The Public Members share equally with the Deans of Medicine in fulfilling the Roles and Responsibilities of the Board of Directors and the Individual Responsibilities as a Director.

3.1.2 Specific Skills and Experience of Individual Public Members

The Board would benefit from Public Members with individual expertise and experience that may include but is not limited to the following areas:

- ❖ Finance and Audit
- ❖ Risk Management
- ❖ Governance
- ❖ Public Policy/ Public Sector/Government Relations
- ❖ Human Resources
- ❖ Law
- ❖ Informatics Management

- ❖ Current enrolment as a medical student or resident in a Canadian Faculty of Medicine

3.1.3 Competencies and qualities expected of Public Members

Beyond the range of skills and expertise identified above, the essential competencies and qualities which are necessary for all Directors to fulfill their responsibilities include:

- ❖ experience in and understanding of governance including the roles and responsibilities of the Board and individual Directors and the difference between governance and management;
- ❖ energy and commitment to the Vision, Mission and Values of AFMC and engagement with the organization;
- ❖ personal and professional integrity, wisdom and judgment;
- ❖ a commitment to ethical standards and behaviour;
- ❖ a commitment and ability to cooperate and work collaboratively, cohesively and constructively as a member of the team with other members of the Board and senior management;
- ❖ ability to communicate effectively;
- ❖ an open mind and ability to think critically and ask relevant questions at a strategic level;
- ❖ policy orientation;
- ❖ flexibility to travel to attend meetings and ability to commit the time to fulfill responsibilities;
- ❖ willingness to serve as ambassador for AFMC within the community.

3.1.4 The Nominations Process

Each year, at least four months before the annual meeting, the Governance and Nominating Committee will:

- ❖ determine the number of vacancies in the office of Public Members and include in this number incumbent Public Members who are eligible for re-election following completion of their first or second three-year term.
- ❖ using the Guidelines for the Selection of Public Members, review the Board profile of skills and expertise of Public Members and identify the specific skills and expertise that are required to fill vacancies. Where an incumbent Public Member is seeking re-election, in addition to the foregoing criteria, the Standing Committee on Governance and Nominating will take into consideration the contribution that he/she has made to the AFMC Board;
- ❖ publicly advertise the Public Member vacancy in a manner to be determined by the Standing Committee on Governance and Nominating that may include the AFMC website, circulation within the Faculties of Medicine and the Board, partner organizations etc. including reference to the Board Governance Policies. It is not the

intent to advertise vacancies where an incumbent Public Member is seeking re-election and is viewed as suitable for reappointment;

- ❖ invite formal applications by interested individuals including a resume and covering letter which will be submitted to the Board liaison and forwarded to the Chair of the Standing Committee on Governance and Nominating for review;
- ❖ identify a short-list of candidates for interview by the Standing Committee on Governance and Nominating and evaluate the short-listed candidates against the criteria set out in the Guidelines for the Selection of Directors;
- ❖ obtain personal references and criminal reference checks for the candidates selected for nomination as Public Board Members; and
- ❖ recommend one or more candidates through the Executive Committee for approval by the Board and recommendation to the Members for approval at the Annual General Meeting;
- ❖ in the event of a mid- term vacancy of a Public Member, the Board may request that the Standing Committee on Governance and Nominating initiate a process to select a replacement Board Member.

3.2 NOMINATIONS PROCESS FOR BOARD CHAIR AND CHAIR-ELECT

The selection process for the Board Chair and Chair-Elect will be a systematic, transparent, accountable and fair process.

The Governance and Nominating Committee is responsible for ongoing succession planning for leadership of the Board and the recommendation of the Chair and Chair Elect. The position of Chair and Chair Elect is limited to the Deans of Medicine.

Selection Process

The following process will be followed by the Governance and Nominating Committee:

- ❖ No later than four months before the completion of the first year of the term of the Board Chair, the Governance and Nominating Committee will canvass the Directors and President and CEO for expressions of interest and/or recommendations for the position of Chair Elect.
- ❖ Based on the information received from Directors and the President and CEO, the Governance and Nominating Committee will develop an inventory of candidates for Chair Elect.
- ❖ If members of the Governance and Nominating Committee are also seeking election as Chair Elect, the Governance and Nominating Committee will exclude these individuals from committee deliberations in relation to this position.
- ❖ Where there are multiple candidates for the position of Chair Elect, the Governance and Nominating Committee will:

- Canvas the Board and the President and CEO on the perceived strengths and weaknesses of the potential candidates and agree on a nominee to recommend through the Executive Committee for appointment by the Board at the April Board meeting in the first-year term of the Board Chair.
- Provide a list of the candidates to the Board for a vote by secret ballot at the first Board meeting following the annual meeting.
- ❖ In the event of a mid- term vacancy in the first year of the term of the Chair, the Board may appoint another director as Chair. In the event of a mid-term vacancy in the second year of the term of the Chair, the Board, on the recommendation of the Governance and Nominating Committee, will appoint the Chair Elect as Chair.
- ❖ In the event of a mid- term vacancy in the office of Chair Elect, the Board, after reviewing the recommendation of the Governance and Nominating Committee, may appoint another Director as Chair Elect.

3.3 BOARD ORIENTATION AND DEVELOPMENT

The Board recognizes that initial orientation and continuing development of the Directors is an important requirement of effective governance and that it is essential that Directors be fully informed on the background and context of the issues they are called upon to address.

An initial orientation for new Deans and Public Members and an ongoing Board education program will be established each year that is consistent with the goals and objectives of the Board for that year. It is expected that each Director will participate in the education process.

Components of the Board education process may include:

New Director Orientation, which will be scheduled in a timely manner as soon as possible after the approval by the Board and will include:

- ❖ an introduction to the AFMC, including a meeting with the Chair and President and Chief Executive Officer;
- ❖ an overview of the AFMC Strategic Plan and Strategic Goals;
- ❖ an overview of the Governance Manual including Board and individual Director roles and responsibilities, Board and Committee structure and process;

Ongoing Director Orientation may include:

- ❖ attendance at AFMC sponsored events including CCME as appropriate;
- ❖ a Board Retreat, which may be called from time to time, at which the Strategic Plan will be reviewed to ensure that progress is being made toward its achievement. Additionally, the Retreat may focus on other relevant areas within the Roles and Responsibilities of the Board and reflecting on the Board’s Annual Goals. The Retreat

should be conducted at a reasonable cost, with clear objectives and expected outcomes;

- ❖ mentoring of a new Director by a current Director.

3.4 BOARD GOALS

On an annual basis, the Board will establish Board goals consistent with the AFMC strategic priorities and key issues that are a priority for the Board in the coming year. The Board goals will be reflected in the direction of the Board Standing Committees. The Board will review its progress toward the achievement of the annual Board goals at the Board meeting, prior to the Annual General Meeting.

The President and CEO will establish, for Board approval, Strategic Priorities for the Board and its Standing Committees that addresses the following key areas of *Roles and Responsibilities of the Board*:

- ❖ Strategic Direction
- ❖ Excellent Management
- ❖ Program Quality and Effectiveness
- ❖ Financial and Organizational Viability and Risk Management
- ❖ Board Effectiveness
- ❖ External Relationships

The Executive Committee of the Board will oversee the development and implementation of the annual Goals and report to the Board on the overall achievement of its Goals annually at the Board meeting before the Annual General Meeting.

3.5 CONFLICT OF INTEREST AGREEMENT

3.5.1 CONFLICT OF INTEREST

A conflict of interest includes any situation or circumstance where, in relation to performing his/her duties for the organization, a member of the Board who has the capacity to influence the organization's decisions, has other commitments, relationships or financial interest that interfere with the organization's objective, unbiased and impartial exercise or judgment; or compromise, impair or be incompatible with the effective performance of his/her obligation to the organization. Except under exceptional circumstances, the AFMC will not nominate or appoint a sitting AFMC Board Member to any other Board.

3.5.2 ROLES AND RESPONSIBILITIES OF BOARD MEMBERS

- ❖ Board members must avoid *any real, potential or perceived* conflict of interest or commitment.
- ❖ Members must declare any conflict of interest that would preclude the adequate

discharge of duty.

- ❖ Members must declare any conflict of commitment that would preclude the adequate discharge of duty.
- ❖ Where the AFMC Board is addressing a matter of mutual interest to the AFMC and another organisation on which AFMC Board members also serve as Board members, representatives of these organisations will be invited to present to the AFMC Board, from time to time, as required to facilitate the AFMC Board's deliberations.

Board members who have declared a conflict of interest whereby they concurrently serve as a Director of AFMC and of a related organisation, will not be expected to represent the position of the other organisation to the AFMC Board, but may participate in substantive discussion of matters of mutual interest with the permission of the Board Chair. However, the Board members must recuse themselves from the Board or Standing Committee meeting prior to a decision being made or votes taken.

Where such substantive discussion involves matters with financial, risk management or legal considerations, members will be recused from both the discussion and decision/vote.

3.5.3 CONFLICT OF INTEREST / COMMITMENT

- ❖ There should be no conduct of private business or personal services between any Board member and the AFMC in order to assure openness, competitive opportunity and equal access to "inside information".
- ❖ Board members should not use their positions to obtain for themselves, family members or close associates employment within the organization.

3.5.4 CONFIDENTIALITY

Board members and ex-officio participants at board meetings are faced with particular responsibilities regarding the confidentiality of board matters. The Board of Directors should uphold general standards of conduct to ensure that board information remains confidential until the Board determines it is permissible for the information to be publicly disclosed. Board members shall sign this agreement annually at the Board meeting held at the time of the AGM or upon commencement of their term as an attestation of agreement to act as described above.

3.5.5 DECLARATION OF PARTICIPATION ON OTHER BOARDS

Board members must declare annually the other boards on which they currently sit. The AFMC Governance Committee will review the AFMC Board Member participation on other boards and will provide a recommendation to the AFMC Board on potential conflicts and request, in that case, that AFMC Board members recuse themselves.

List of other relevant Boards:

1. _____
2. _____
3. _____
4. _____

I have read, understand and agree to comply with the terms of this agreement as described above.

Date: _____

Signature: _____

Name: _____

Witness:

3.6 BOARD MEETINGS

The Chair, in consultation with the President and CEO, is responsible for developing an agenda for each Board meeting that is aligned with the Board's roles and responsibilities, and the annual goals. The Chair has discretion to table items to the next regularly scheduled Board meeting if time considerations unduly limit appropriate discussion.

3.6.1 Guests

Guests may attend Board meetings on the invitation of the Chair or President and CEO.

3.6.2 Agendas and Information Packages

The Board package will normally be sent to Directors one week in advance of the meeting to allow for review and preparation.

Items circulated after the package has gone out or handed out at the Board meeting will only be discussed if, in the opinion of the Chair, the item is of an urgent nature or should not be held until the next Board meeting. It is expected that the Board Chair will only allow such items to be brought forward and considered under exceptional circumstances.

To facilitate a strategic and forward-looking approach to the Board's discussions, the Board Chair will endeavor to include a topic which provides for generative discussion within each Board meeting.

3.6.3 Structure of AFMC Board Meetings

AFMC Board Meetings are normally attended only by members of the Board of Directors and the Executive Staff Team. They are not open to the public. However, since the Deans of Medicine are the liaison between the AFMC Board and the 17 Faculties of Medicine, it is important to distinguish between Board meeting agenda items and discussions that can be shared by the Deans with their respective faculties at their discretion and those matters that must be treated as confidential within the AFMC Board of Directors. As a result, the Board meeting agendas are structured in three parts: Open session; Closed Session and *In camera session*.

3.6.4 Open Session

This component of the Board meeting addresses agenda items that are not required to be treated as confidential within the AFMC Board of Directors. It is understood that discussions and/or minutes or reports related to or arising from these items can be shared as appropriate with the Faculties of Medicine or reported in the AFMC Newsletter from time to time.

3.6.5 Closed Session at Board Meetings

The Board has the right to move into closed session and to restrict attendance to the Directors for any meeting or part of a meeting if the Board deems a *closed* session to be necessary to protect the interests of the AFMC, the public or a person.

Confidential matters that may generally be dealt with in a closed session include, but are not limited to:

- ❖ matters relating to an individual Board member or a prospective Board member;
- ❖ matters relating to President and CEO performance and compensation;
- ❖ individual employee matters;

- ❖ any other matters where personal information about an individual will or may be revealed;
- ❖ litigation or potential litigation including administrative tribunal matters;
- ❖ receipt of advice that is subject to solicitor-client privilege including communications necessary for that purpose;
- ❖ contract negotiations or disputes;
- ❖ the acquisition, disposition, lease, exchange or expropriation of, or improvements to real or personal property, if the Board considers that disclosure might reasonably be expected to harm the interest of the AFMC;
- ❖ Board self-evaluation;
- ❖ other matters that, in the opinion of the majority of directors, the disclosure of which might be prejudicial to an individual or to the best interests of the AFMC;
- ❖ consideration of whether an item is to be discussed in closed session.

A Board motion is required to move into, and to rise from, a closed session.

During a closed session, all persons who are not Directors will be excluded from the meeting; provided, however, that the Chair, with the consent of the Board, may invite the President and CEO and appropriate staff to attend all or a portion of the closed session.

A confidential agenda will be prepared by the Chair and President and CEO for closed sessions. The agenda and any supporting materials will be clearly marked **confidential** and will be handled and secured in a manner that respects the nature of the material. Under normal circumstances, confidential minutes will be recorded by the Executive Assistant to the Board or the President and CEO's designate. The exception is agenda items dealing with President and CEO performance or other personnel matters, in which case, the Chair may request that a director record the minutes.

3.6.6 In Camera Sessions of Directors

At the conclusion of each Board meeting or at the call of the Chair, an *in-camera* session of the Directors may be conducted in two parts: initially with the presence of the President and CEO and subsequently with the presence of the Directors only.

Following Standing Committee meetings, the Committee Chair is to extend the length of the meetings beyond one hour, as required, to ensure the allocation of time for the in-camera session.

The purpose of the *in-camera* session is to enable the Directors to assess the effectiveness of the meeting; the quality of information to support informed policy formulation, decision-making and oversight by the Board and the performance of the President and CEO and staff in contributing to the effectiveness of the meeting.

Any matters pertaining to specific meeting agenda items or all other aspects of the Board's roles and responsibilities should not be discussed in such a meeting. No decisions will be made and no minutes will be prepared. Following the *in-camera* session, the Chair will discuss matters arising, as appropriate, with the President and CEO.

3.7 BOARD EVALUATION

A Director will participate in the annual evaluation of the performance of the Board as a whole. The scope of the evaluation will include an assessment of the effectiveness of the Board as a whole in fulfilling its roles and responsibilities and of the processes and structure of the Board and its committees.

The purpose of evaluation is to:

- ❖ ensure continuous improvement of the Board and Board Standing Committees;
- ❖ obtain input for succession planning for the Board and Board officers and re-elections of Directors;
- ❖ identify Directors' education and development needs; and
- ❖ ensure an opportunity to provide feedback on effectiveness of Board and Board committee meetings.

After a new Chair is appointed, the new Chair may conduct an interview with each Board member to assess Board effectiveness.

The Governance and Nominating Committee will establish the process and evaluation tool for evaluation of the Board based on the *Roles and Responsibilities of the Board*. External resources may be used as appropriate to ensure an effective process.

The Governance and Nominating Committee will provide a summary report of the evaluation to the Board including key issues to be addressed to ensure continuous improvement of the Board.

3.8 REIMBURSEMENT OF DIRECTOR EXPENSES

Directors are encouraged to attend Board meetings, Board committee meetings, annual meetings, and educational events as reasonably required to properly discharge their duties. Public Members will be reimbursed for associated expenses by AFMC. Deans of Medicine are expected to cover their own expenses for the Board meetings.

Public Member Directors are insured under the AFMC Travel Accident Policy for accidental death and dismemberment while travelling on AFMC business.

Travel and other expense claims are to be submitted by the Public Members to the Board Executive Assistant using the AFMC Expense Report. Receipts for all expenses (except mileage and reasonable tips for porters, room services attendants and taxi drivers) must be submitted (attached to expense report). The President and CEO may query expense submissions directly with a Public Member.

3.9 PRESIDENT AND CEO RECRUITMENT AND SELECTION

The Board will ensure that provision is made for continuity of leadership for the AFMC. The Board will have in place a documented process for succession should the President and CEO position become vacant due to sudden vacancy (e.g. death, resignation or termination) or planned vacancy (e.g. retirement). The succession plan will also specify the process for appointing an interim CEO, should the CEO require an

extended leave of absence due to personal, health or other reasons. The CEO will report on the succession plan annually during the CEO evaluation process.

3.9.1 Planned Vacancy (e.g., retirement)

The process to fill a planned vacancy will be as follows:

- ❖ The Executive Committee will function as the President and CEO Search Committee. The President and CEO Search Committee will be chaired by the Board Chair or his/her delegate.
- ❖ The President and CEO Search Committee may, at its discretion, select a search firm to assist with the process and provide administrative support the Search Committee as required
- ❖ The CEO Search Committee will interview a short list of candidates and recommend to the Board its candidate of choice.

3.9.2 Sudden Vacancy (e.g., death, resignation, termination, extended leave

The President and CEO will identify to the Executive Committee in writing at the beginning of each fiscal year which member(s) of the senior management team are recommended to fill the role of interim President and CEO, if a sudden vacancy occurs. The appointment of an interim President and CEO will be subject to Board approval.

The Board will have in place a documented process for appointment of an Interim President and CEO to serve at the pleasure of the Board, should the President and CEO position become vacant due to sudden vacancy (e.g., death, resignation, or termination) or should the President and CEO require an extended leave of absence due to personal, health or other reasons. The President and CEO will report on the interim succession plan annually during the CEO evaluation process.

An offer will be subject to submission of a declaration that the candidate has no conflict of interest consistent with organizational policy, in a form as required by the Board, and satisfactory results of a criminal reference check as determined in the sole discretion of the Board.

A legally binding employment agreement will be developed by an employment lawyer and will be executed by the Chair and the candidate accepting the position of President and CEO.

3.10 PRESIDENT AND CEO PERFORMANCE MANAGEMENT AND EVALUATION

The Board will establish measurable annual performance expectations in cooperation with the President and CEO (CEO), assess CEO performance annually, and determine CEO compensation.

The performance review process provides an opportunity to recognize the CEO's level of performance, to collaboratively develop the AFMC priorities for the next fiscal year to present to the Board for approval, and to plan strategies to support the CEO and the Association's continuing growth.

3.10.1 Guiding Principles

- ❖ Performance management supports, reinforces and integrates the achievement of business plan results with individual performance goals.
- ❖ Performance standards, measures and indicators should be established in a performance management plan.
- ❖ Performance commitments and measures should be set at a level that reflects the high level of performance expected.
- ❖ Performance management focuses both on improving organizational processes and structure and on enhancing the CEO's performance.
- ❖ The performance management plan should include reference to the CEO's expectations for senior management team members, thereby promoting a consistent and continuous approach to performance measurement across the senior management team.

3.10.2 Process

- ❖ The Executive Committee will jointly develop the performance management plan with the CEO. The performance review process will be the responsibility of the Executive Committee. The review process will be conducted on an annual basis in alignment with the fiscal year.
- ❖ The Executive Committee will, annually, present the performance management plan to the Board for approval, as well as any amendments to the plan from time to time.
- ❖ The Executive Committee will review the CEO's performance against the performance management plan on an annual basis, at a minimum, and will report the outcome of the review to the Board in an in-camera session.
- ❖ All Directors will be requested to provide performance feedback through the completion of the performance review evaluation form. Direct reports will also be requested to provide performance feedback. The Board Chair will then compile the feedback and develop the performance review documentation with the input of the Executive Committee.
- ❖ The Chair of the Board will, in concert with the Past Chair and / or Chair Elect, communicate the results of the Performance Appraisal to the President and CEO;
- ❖ The Board Chair will also provide a report to the Board, in an in-camera session, on the CEO's performance relative to both achievement of the goals and the assessment of core competencies.

3.11 REVIEW OF BOARD POLICIES

In keeping with best practices in governance, the Governance and Nominating Committee will complete an overall high-level annual review of the Board policies to ensure compliance with the by-laws and applicable laws and will make recommendations to the Board for revisions as required.

The Executive Assistant to the Board will be responsible for ensuring that all Board policies are reviewed and revised.

3.12 BOARD DECISION COMMUNICATION PROCESS

The Board will be explicit and deliberate about how decisions will be communicated to Faculties, student and partners. Decisions about communications will be made during the Board meetings. Calls with the appropriate AFMC Committee Chairs (e.g., UG, PG, etc.) prior to and following each meeting regarding Board decisions will take place and additionally a summary of Board key discussion points and decisions will be communicated in writing to the Board following each meeting.

3.13 DESIGNATED CORPORATE AUTHORIZING OFFICERS

Section 11.01 of the General Operating By-law establishes the power of the Board to appoint authorizing officers.

- ❖ The Board identifies the designated Signing Officers of AFMC and their authority by annual resolution at the first Board Meeting following the Annual General Meeting:
 - Chair, Board of Directors;
 - Past-Chair or Chair Elect
 - Chair, Audit, Finance and Risk Management Committee
 - President and CEO;
- ❖ Senior Executive Staff member(s) so designated by the CEO and set forth in relevant administrative policies.
- ❖ Authorization by email from an officer listed above who is not an employee of the Corporation, in the case of contracts, documents or other instruments in writing in excess of \$400,000.
- ❖ The Chair, Board of Directors, or in the Chair's absence either the Past-Chair/Chair Elect or the Chair, Audit, Finance and Risk Management Committee, is the designated authority to approve and review expense claims incurred by the President and CEO.
- ❖ The Chair, Board of Directors is the designated authority to sign an employment agreement for the position of President and CEO.