

GOVERNANCE COMMITTEE TERMS OF REFERENCE

I. PURPOSE

The Governance Committee (the “Committee”) of the Vancouver Island Health Authority (“Island Health”) Board of Directors (the “Board”) assists the Board in review and oversight of the following areas:

- Board governance
- Board composition and succession planning
- Director orientation and professional development
- Board and director effectiveness and evaluation
- Board code of conduct and conflict of interest
- Effective communications and engagement strategy

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three directors each of whom shall be independent of Management.
- B. The majority of members is familiar with best practices in corporate governance and have previous relevant board experience.
- C. The Committee shall operate in a manner that is consistent with the Committee Guidelines outlined in the Board Manual.
- D. The Committee makes recommendations and does not act on behalf of the Board unless specific delegated authorities have been given.
- E. The Committee shall review its Terms of Reference annually to ensure they meet the needs of the Board.
- F. The Committee shall meet at least five times per year.

III. DUTIES AND RESPONSIBILITIES

- A. **Governance**
 - (i) Ensure appropriate governance principles, structures and procedures are in place to allow the Board to function effectively.
 - (ii) At least annually, review Island Health’s Board Manual.

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- (iii) Review and recommend changes to Committee Terms of Reference recommended by other committees before recommendation to the Board.

B. Board Composition and Succession Planning

- (i) Consider and recommend to the Board, as appropriate, the ideal skills, qualifications, experiences and background required of the Board as a whole based on the short-term and long-term needs of Island Health, any challenges facing Island Health, and the Board's leadership requirements ("Needs Matrix").
- (ii) Annually review the composition of the Board as a whole and recommend, if necessary, changes to the Needs Matrix.
- (iii) As vacancies arise, review and update the Needs Matrix and compare it to the skills of continuing directors; identify any gaps that should be filled ("Director Recruitment Profile") and, through the Board Chair, seek Government's approval of the Director Recruitment Profile.
- (iv) Through the Board Chair, provide Government with a performance evaluation for all directors seeking re-appointment.

C. Orientation and Professional Development

- (i) Create and oversee a comprehensive orientation program for new directors.
- (ii) Recommend to the Board an annual professional development program for the Board and as required for individual directors.
- (iii) Each director is required to participate in one educational session per year based on the director's needs, the committee he/she serves and the needs of the Board as a whole. The educational session may be a course, forum, workshop, or delivered in some other format held by Island Health or an external organization and must be pre-approved by the Board Chair.

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D. Board and Director Evaluation

- (i) Lead the annual review process for evaluating the effectiveness of the Board, Committees, the Board Chair, Committee Chairs and directors.
- (ii) Recommend to the Board, as appropriate, the annual review process for the above areas of evaluation.

E. Director Code of Conduct and Conflict of Interest

Ensure that Island Health has a Director Code of Conduct and Conflict of Interest policy in place that:

- (i) ensures each director acts at all times in full compliance with both the letter and spirit of all applicable laws and avoids any situation which could be perceived as improper or indicate a casual attitude towards compliance; and
- (ii) ensures each director does not use his/her position with Island Health to pursue or advance his/her personal interests, the interests of related persons or the interests of a person to whom the director owes an obligation; and avoids any situation which may appear to be a conflict that could interfere with the director's judgment in making decisions in Island Health's best interest.

F. Risk Management

Review and assess enterprise level or strategic risks within the Committee's areas of responsibility using the enterprise risk management framework and provide recommendations to the Board.

IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and provide a detailed written report including any recommendations for approval at the next Board meeting.

V. COMMITTEE CALENDAR

The Committee's workplan of activities is outlined in an annual planning calendar.