



# GOVERNANCE POLICIES

Adopted July 16, 2014  
 Reviewed and revised in 2017-2018  
 Reviewed October 2019

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## Introduction to Policy Package

### How to use these policies

These policies have been created by and adopted by the Board. A policy is a value or perspective. There are four categories as follows:

#### **Governance Process and Board-Management Delegation**

- These two (2) of the categories (Governance Process and Board-Management Delegation) are rules for the board's own performance and behaviour
- The board will regularly judge and evaluate its own performance against the above-noted 2 categories of policies

#### **Ends and Executive Limitations**

- The other 2 the categories (Ends and Executive Limitations) are the board's instructions to the staff/organization, through the EXECUTIVE DIRECTOR
- The board will judge and evaluate (over the course of a one year period) the EXECUTIVE DIRECTOR's performance against the above-noted 2 categories of policies
- The performance expectations in the Ends and Executive Limitations policies are equivalent to organizational performance

#### **Policy Design**

- The policies are layered, i.e. the first policy in each of the four categories (Ends #1, GP#1, EL#1, BMD#1) is the most broad statement
- As the board goes into the second layer of policies, the board is further explaining/interpreting its instruction
- The benefit of this policy design is that the first policy layer covers all possible topics or issues, even if a particular issue is not specifically addressed at the second level

#### **Use of these Policies**

- All board members must know all of these policies by heart because when working on any particular issue, the board will usually need to refer to more than one of the attached policies
- ***It is crucial to good governance that all board members be very familiar with all of these policies!!***



POLICY TYPE: ENDS

Ends Level 1 and 2

POLICY TITLE: ENDS

Date Adopted by Board: July 16, 2014

Reviewed and Revised: May 7 2018

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Level #1

**Because the Richmond Hill Board of Trade exists:**

Our members can become more successful in their businesses  
At a cost comparable to equivalent organizations

Level #2

2.1 Members enjoy the opportunity to meet with other businesses to potentially:

- increase sales, revenue
- make new business contacts
- find new suppliers
- become involved in the community

2.2 Members can receive new information and gain education in relevant topic areas

2.3 The government understands the issues that our businesses face

- government hears our members' issues
- our members can connect with the relevant government departments

2.4 There is positive public awareness and recognition of our members and Board of Trade.

2.5 Members enjoy insurance protection and financial savings, at no net cost to the organization

2.6 We are continually attracting new members and maintaining a fiscally healthy organization.



POLICY TYPE: BOARD- MANAGEMENT DELEGATION                      BMD#1

POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION

Date Adopted by Board: July 16, 2014                      Reviewed and Revised: February 5 2018  
Reviewed October 2018

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The board's sole official connection to the operational organization, its achievements and conduct will be through a chief executive officer, titled the EXECUTIVE DIRECTOR.



POLICY TYPE: BOARD-MANAGEMENT DELEGATION                      BMD#2a

POLICY TITLE: UNITY OF CONTROL

Date Adopted by Board: July 16, 2014

Reviewed and Revised: February 5 2018

Reviewed October 2018

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Only officially passed motions of the board are binding on the EXECUTIVE DIRECTOR.

1. Decisions or instructions of individual board members, officers, or committees are not binding on the EXECUTIVE DIRECTOR except in rare instances when the Board has specifically authorized such exercises of authority.
  
2. In the case of board members or committees requesting information or assistance without board authorization, the EXECUTIVE DIRECTOR can refuse such requests that require, in the EXECUTIVE DIRECTOR's reasonable opinion, a material amount of staff time or funds, or are disruptive.



POLICY TYPE: BOARD-MANAGEMENT DELEGATION      BMD#2b

POLICY TITLE: ACCOUNTABILITY OF THE EXECUTIVE DIRECTOR

Date Adopted by Board: July 16, 2014

Reviewed: May 1 2017

Reviewed October 2018

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The EXECUTIVE DIRECTOR is the board's only link to operational achievements and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the EXECUTIVE DIRECTOR.

1. The board shall not give instructions to persons who report directly or indirectly to the EXECUTIVE DIRECTOR.
2. The board shall not evaluate, either formally or informally, any staff other than the EXECUTIVE DIRECTOR.
3. The board shall view EXECUTIVE DIRECTOR performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends and compliance with board-stated Executive Limitations will be viewed as successful EXECUTIVE DIRECTOR performance.



POLICY TYPE: BOARD-MANAGEMENT DELEGATION                      BMD#2c  
POLICY TITLE: DELEGATION TO THE EXECUTIVE DIRECTOR

Date Adopted by Board: July 16, 2014

Reviewed: May 1 2017  
Reviewed October 2018

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The board will instruct the EXECUTIVE DIRECTOR through written policies that:

- (a) prescribe the organizational Ends to be achieved and
  - (b) describe organizational situations and actions to be avoided (Executive Limitations)
- allowing the EXECUTIVE DIRECTOR to use any reasonable interpretation of these policies.

**1. Ends Policies:** The board will develop policies instructing the EXECUTIVE DIRECTOR to achieve certain results, for certain customers, at a certain worth or cost. These policies, called Ends, will be developed systematically from the broadest, most general level to more defined levels. All issues that are not ends issues as defined here are means issues. Ends policies answer the following 3 questions about what the organization will produce: “What Good? For Whom? And At What Cost?”

**2. Executive Limitations Policies:** The board will develop policies that limit the latitude that the EXECUTIVE DIRECTOR may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the board even if they were to be effective. The board will not prescribe organizational means delegated to the EXECUTIVE DIRECTOR. Therefore all means are considered pre-approved by the board unless explicitly prohibited in the Executive Limitations policies.

3. The highest level policy in any category is not necessarily limited to the sum of the subsidiary levels of that policy.

3.1 Below the global (highest) level, the aggregate of limitations on any given level may embrace the scope of the foregoing level, but only if justified by the EXECUTIVE DIRECTOR to the board’s satisfaction.

4. As long as the EXECUTIVE DIRECTOR uses *any* reasonable interpretation of the board's Ends and Executive Limitations policies, the EXECUTIVE DIRECTOR is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the EXECUTIVE DIRECTOR shall have full force and authority as if decided by the board.

5. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and EXECUTIVE DIRECTOR domains. By so doing, the board changes the latitude of choice given to the EXECUTIVE DIRECTOR. But so long as any particular delegation (policy) is in place, the board and its members will respect and support the EXECUTIVE DIRECTOR's choices.



POLICY TYPE: BOARD-MANAGEMENT DELEGATION

BMD #2d

POLICY TITLE: MONITORING EXECUTIVE PERFORMANCE

Date Adopted by Board: July 16, 2014

Reviewed: May 1 2017

Reviewed October 2018

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Systematic and rigorous monitoring of EXECUTIVE DIRECTOR job performance will be solely against the only expected EXECUTIVE DIRECTOR job products:

- (1) Organizational accomplishment of the board's Ends policies, and
- (2) Organizational operation within the boundaries established in board policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring data.

2. The board will acquire monitoring information by one or more of three methods:

A. by INTERNAL REPORT: in which the EXECUTIVE DIRECTOR discloses interpretations and compliance information to the board,

B. by EXTERNAL REPORT: in which an external, independent 3rd party selected by the board assesses compliance with the EXECUTIVE DIRECTOR's interpretation of board policies,

C. by BOARD DIRECT INSPECTION: in which a designated board member or members of the board assess compliance with the EXECUTIVE DIRECTOR's interpretation of the appropriate policy criteria.

3. In every case, the board will judge:

- (a) the reasonableness of the EXECUTIVE DIRECTOR's interpretation, and
- (b) whether data demonstrates accomplishment of the interpretation (regarding Ends) or compliance with the interpretation (regarding Executive Limitations).

4. The standard for compliance shall be any reasonable EXECUTIVE DIRECTOR interpretation of the board policy being monitored. The board is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favoured by board members or by the board as a whole.

5. The board can monitor organizational compliance with any policy at any time by any of the above 3 methods.



6. The board will determine the frequency and method of monitoring the policies that instruct the EXECUTIVE DIRECTOR (Ends and Executive Limitations) and will normally use a routine schedule, as follows:

Policy	Frequency (times per year)	Method (see legend below)
ENDS Policy	4X	IR
EL #1 Global Executive Constraint	1X	IR
EL #2a Treatment of Members	1X	IR
EL #2b Treatment of Staff	1X	IR
EL #2c Compensation and Benefits	1X	IR
EL #2d Financial Condition and Activities	4X	IR
	1X	ER
	2X	BDI
EL #2e Financial Planning and Budgeting	1X or as needed	IR
EL #2f Asset Protection	1X	IR
EL #2g Communication and Support to the Board	1X	IR
	1X	BDI
EL #2h Emergency Executive Succession	1X or as needed	IR

**Methods:** IR = Internal EXECUTIVE DIRECTOR Report  
 ER = External Report  
 BDI = board direct inspection



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #1

POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT

Date Approved by Board: July 16, 2014

Reviewed: March 13 2017

Reviewed October 2018

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The EXECUTIVE DIRECTOR shall not cause or allow any organizational practice, activity, decision or circumstance, which is:

- unlawful,
- imprudent, or
- in violation of commonly accepted business and professional ethics.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2a

POLICY TITLE: TREATMENT OF MEMBERS

Date Adopted by Board: July 16, 2014

Revision Date: March 13, 2017

Reviewed October 2018

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With respect to interactions with Members or those applying to be clients, the EXECUTIVE DIRECTOR shall not cause or allow conditions, procedures, or decisions which are unsafe, unnecessarily abusive, disrespectful or unnecessarily intrusive; which fail to provide appropriate confidentiality and privacy or which permit mental, physical or financial abuse.

The EXECUTIVE DIRECTOR will not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material.
3. Operate facilities without appropriate accessibility and privacy.
4. Allow members to be unaware of what may be expected and the services offered.
5. Allow members to be unaware of this policy or a way to be heard for persons who believe that they have not been accorded a reasonable interpretation of their rights under this policy, or to provide a grievance process.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2b

POLICY TITLE: TREATMENT OF STAFF AND VOLUNTEER

Date Adopted by Board: July 16, 2014

Revision Date: March 13, 2017

Reviewed October 2018

Approved by: Board of Directors

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With respect to treatment of paid and volunteer staff, the EXECUTIVE DIRECTOR shall not cause or allow conditions, which are unfair, undignified, disorganized or unclear.

The EXECUTIVE DIRECTOR will not:

1. Operate without written personnel procedures that:

(a) clarify rules for staff and volunteers,

(b) provide for effective handling of disputes and

(c) protect against wrongful conditions (e.g. nepotism and grossly preferential treatment for personal reasons.)

2. Retaliate against an employee for non-disruptive expression of dissent, or for reporting to management or to the Board of Directors (per the grievance procedure in the personnel manual) acts or omissions by staff, management or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of provincial or federal law or a governing policy of the Board. (Whistleblower policy)

3. Allow staff and volunteers to be unprepared to deal with emergency situations.

4. Allow staff and volunteers to be unfamiliar with their rights.

5. Allow a fiscal year to pass without the completion of performance reviews of all staff.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2c

POLICY TITLE: COMPENSATION AND BENEFITS

Date Adopted by Board: July 16, 2014

Revision Date: March 13, 2017

Reviewed October 2018

Approved by: Board of Directors

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With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the EXECUTIVE DIRECTOR shall not cause or allow jeopardy to fiscal integrity or public image.

The EXECUTIVE DIRECTOR will not:

1. Change the EXECUTIVE DIRECTOR's own compensation and benefits, except as those benefits are consistent with a package for all other employees.
2. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
3. Create obligations over a longer term than revenue can be reasonably projected.
4. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
  - (a) incur unfunded liabilities
  - (b) provides less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited
  - (c) allow any employee to lose benefits already accrued from any foregoing plan
  - (d) treat the EXECUTIVE DIRECTOR differently from other key employees
5. Promise or imply employment that cannot be terminated for cause on reasonable notice.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2d

POLICY TITLE: FINANCIAL CONDITION & ACTIVITIES

Date Adopted by Board: July 16, 2014

Revision Date: March 13, 2017

Reviewed October 2018

Approved by: Board of Directors

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With respect to the actual, ongoing financial condition and activities, the EXECUTIVE DIRECTOR shall not cause or allow the development of:

- (a) fiscal jeopardy or
- (b) a material deviation of actual expenditures from board priorities established in Ends policies.

The EXECUTIVE DIRECTOR will not:

1. Expend more funds than have been received in the fiscal year to date, on both cash flow and income basis, unless the board's debt guideline (point #2 below) is met.
2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues within 60 days.
3. Use any long-term reserves.
4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances within 30 days.
5. Allow payroll or debts to be handled in an untimely manner.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Make a single purchase or commitment of greater than \$5000, without prior Board approval. Splitting orders to avoid this limit is not acceptable. The exception to this limit is the Business Achievement Awards, the Golf Tournament, Membership Directory Printing Expenses and the Home Shows.
8. Acquire, encumber or dispose of real estate without prior Board approval.
9. Fail to pursue AR after a reasonable given period.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2e

POLICY TITLE: FINANCIAL PLANNING AND BUDGETING

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Nov 6, 2017

Reviewed October 2018

Approved by: Board of Directors

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The EXECUTIVE DIRECTOR shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to:

- deviate materially from board Ends priorities,
- risk financial jeopardy or
- fail to be derived from a multi-year plan.

The EXECUTIVE DIRECTOR will not allow budgeting to:

1. Risk incurring those situations or conditions described as unacceptable in the Executive Limitations policy entitled "Financial Condition & Activities".
2. Omit:
  - (a) credible projection of revenues and expenses
  - (b) separation of capital and operational items.
  - (c) cash flow analysis, and
  - (d) disclosure of planning assumptions
3. Provide less than \$20,000 of total annual budget for board prerogatives during the year than is set forth in the Board Budget.



POLICY TYPE: EXECUTIVE LIMITATIONS  
POLICY TITLE: ASSET PROTECTION

EL #2f

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Nov 6, 2017  
Reviewed October 2018

Approved by: Board of Directors

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The EXECUTIVE DIRECTOR shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

The EXECUTIVE DIRECTOR will not:

1. Allow the organization, board members, staff and volunteers to be uninsured against theft, fire and casualty losses to a prudent replacement value and against liability losses.
2. Allow unbonded personnel access to material amounts of funds.
3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
4. Receive, process or disburse funds under controls that are insufficient to meet the member-appointed auditor's standards.
5. Make any purchase or commitment:  
(a) wherein normally prudent protection has not been given against conflict of interest; (b) of more than \$1500 without having obtained comparative prices and quality;  
(c) of over \$5,000 without a stringent method of assuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.
6. Allow intellectual property, information or files to be exposed to loss, improper access or significant damage, or operate without maintaining records in accordance with a records retention schedule approved by legal counsel.
7. Invest or hold operating capital in insecure instruments, including uninsured chequing accounts and bonds of less than R-3 rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
8. Endanger the organization's public image, credibility, or its ability to accomplish Ends.
9. Change the organization's name or substantially alter its identity in the community.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2g

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Nov 6, 2017

Reviewed October 2018

Approved by: Board of Directors

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The EXECUTIVE DIRECTOR shall not permit the board to be uninformed or unsupported in its work. The EXECUTIVE DIRECTOR will not:

1. Neglect to submit monitoring data required by the board according to its policy “Monitoring EXECUTIVE DIRECTOR Performance” in a timely, accurate and understandable fashion, directly addressing provisions of the board policies being monitored, and including the EXECUTIVE DIRECTOR’s interpretations consistent with the “Delegation to the EXECUTIVE DIRECTOR” policy, as well as relevant data.
2. Let the board be unaware of any significant incidental information including anticipated adverse media coverage, threatened or pending lawsuits, and material external and internal changes.
3. Allow the board to be unaware that, in the EXECUTIVE DIRECTOR’s opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior, which is detrimental to the work relationship between the board and EXECUTIVE DIRECTOR.
4. Allow the board to be without decision information required periodically by the board or let the board be unaware of relevant trends.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
6. Allow the board to be without a workable mechanism for official board, officer or committee communications.
7. Favour or privilege certain board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
8. Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the board regardless of the board’s monitoring schedule.
9. Fail to submit to the board a required approval (consent) agenda containing items delegated to the EXECUTIVE DIRECTOR yet required by law or contract to be board-approved, along with applicable monitoring information.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL #2h

POLICY TITLE: EMERGENCY EXECUTIVE SUCCESSION

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Nov 6, 2017

Reviewed October 2018

Approved by: Board of Directors

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In order to protect the board from the sudden loss of EXECUTIVE DIRECTOR services, the EXECUTIVE DIRECTOR shall not permit there to be less than 1 staff person sufficiently familiar with board and EXECUTIVE DIRECTOR issues and procedures to enable either to take over with reasonable proficiency as an interim successor.

Report to be provided 1/year.



POLICY TYPE: GOVERNANCE PROCESS

GP #1

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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The purpose of the board is to:

- (1) Represent the interests of the moral ownership, defined as The Members. The board will proactively pursue ownership input, not waiting for input to be initiated by owners.
- (2) Determine the benefits that the organization will provide, keeping a long term, strategic perspective, (the Ends policies).
- (3) Ensure that the operating organization accomplishes what it should (described in the Ends policies) in ways that the Board determines are acceptable (described in the Executive Limitations policies).



POLICY TYPE: GOVERNANCE PROCESS  
POLICY TITLE: GOVERNING STYLE

GP #2a

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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The board will govern lawfully with an emphasis on:

- outward vision rather than an internal preoccupation,
- encouragement of diversity in viewpoints,
- strategic leadership more than administrative detail,
- clear distinction of board and chief executive roles,
- collective rather than individual decisions,
- future rather than past or present and
- proactivity rather than reactivity.

1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will normally be the initiator of policy, not merely a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board although the expertise of individual members may be used to enhance the understanding of the board as a body.

2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. . The board's major policy focus will be on the intended long-term effects outside the staff organization, not on the administrative or programmatic means of attaining those effects.

3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring continuance of governance capability. Although the board can change its governance process policies at any time, it will scrupulously observe those currently in force.

4. Continual board development will include orientation of new members in the board's governance process and periodic board discussion of process improvement.

5. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

6. The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling group obligations.



POLICY TYPE: GOVERNANCE PROCESS

GP #2b

POLICY TITLE: BOARD JOB DESCRIPTION

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the board will provide:

1. **Authoritative linkage** between the operational organization and the ownership.
2. **Written governing policies** that realistically address the broadest level of all organizational decisions and situations.
  - A. Ends: Organizational impacts, products, effects, benefits, outcomes, recipients, beneficiaries, impacted groups, and their relative worth in cost or priority.
  - B. Executive Limitations: Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - C. Governance Process: Specification of how the board conceives, carries out and monitors its own task.
  - D. Board-Management Delegation: How power is delegated and its proper use monitored; the EXECUTIVE DIRECTOR role, authority and accountability.
3. **Assurance of successful organizational performance** on Ends and Executive Limitations



POLICY TYPE: GOVERNANCE PROCESS

GP #2c

POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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The board commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

1. Board Members must have loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Board Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - A. Conduct of private business or personal services between the board member and the organization must be procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
  - B. Board Members will annually disclose their involvements with the organization, with other organizations, vendors, or any associations that might be or might reasonably be seen as being a conflict of interest.
  - C.. When the board is to decide upon an issue about which a board member has an unavoidable conflict of interest, that board member shall withdraw without comment not only from the vote, but also from the deliberation
  - D Board members will not use their positions to obtain employment in the organization for themselves, family members or close associates. A board member who applies for employment must first resign from the board.
  - E. Board members may not hold a position with any other Board of Trade or Chamber of Commerce while serving on the Board of the Richmond Hill Board of Trade without approval of the Board.



3. Board members may not attempt to exercise individual authority over the organization.
  - A. Board Members' interaction with the EXECUTIVE DIRECTOR or with staff must recognize the lack of authority vested in individuals except when explicitly board-authorized.
  - B. Board Members' interaction with public, press or other entities must recognize the same limitation and the inability of any board member to speak for the board except explicitly stated board decisions.
  - C. Except for participation in board deliberation about whether the EXECUTIVE DIRECTOR has achieved any reasonable interpretation of board policy, Board members will not express individual judgments of performance of employees or the EXECUTIVE DIRECTOR.
4. Board Members will respect the confidentiality appropriate to issues of a sensitive nature.
5. Board Members will be properly prepared for board deliberation.
6. Board Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the members' personal position on the issue.
7. A Board Member is considered to have resigned if he/she is absent from 3 regularly constituted Board meetings during the Board year.



POLICY TYPE: GOVERNANCE PROCESS

GP #2d

POLICY TITLE: CHIEF GOVERNANCE OFFICER'S ROLE (**BOARD CHAIR**)

Date Adopted by Board: July 16, 2014

Reviewed: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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The purpose of the position of chief governance officer (Board Chair), a specially empowered member of the board, is to ensure the integrity of the board's process and, secondarily, to represent the board to outside parties.

1. The expected outcome of the Board Chair's job is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - A. Meeting discussion content will ordinarily only be those issues, which, according to board policy, clearly belong to the board to decide or to monitor.
  - B. Deliberation will be fair, open, and thorough, but also timely, orderly and kept to the point.
  - C. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
2. The authority of the Board Chair consists in making decisions that fall within the topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the EXECUTIVE DIRECTOR, or (b) where the board specifically delegates portions of this authority to others. The Board Chair is authorized to use any reasonable interpretation of the provisions in these policies.
  - A. The Board Chair is empowered to chair board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
  - B. The Board Chair has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the Chair of the Board has no authority to supervise or direct the EXECUTIVE DIRECTOR.
  - C. The Board Chair may represent the board to outside parties in announcing board-stated positions and in stating Board Chair decisions and interpretations within the areas delegated to him or her.
  - D. The Board Chair may delegate this authority, but will remain accountable for its use.



POLICY TYPE: GOVERNANCE PROCESS

GP # 2e

POLICY TITLE: BOARD SECRETARY'S ROLE

Date Adopted by Board: July 16, 2014

Reviewed: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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The board secretary is an officer of the board whose purpose is to ensure the integrity of the board's documents. Therefore the secretary has the responsibility to ensure that the Board's documents accurately reflect the decisions of the Board and are provided to the Board in a timely manner.

1. The assigned result of the secretary's job is to ensure that all board documents and filings are accurate and timely. The Board's documents include: letters of incorporation, bylaws, board minutes, monitoring reports (including audit report and budget), board attendance records and board committee minutes.

The Board expects the following:

- That board members will have board binders at each board meeting that are up-to-date and accurate.
- That updates of any and all documents will be distributed before each board meeting
- That Board meeting minutes will be handled as follows:
  1. Minutes will be taken at all official board meetings
  2. Minutes will be sent to the entire board for review and approval
  3. Approved minutes will be signed by the Board Chair and Board Secretary
  4. Approved minutes will be sent to all board members for their records
  5. Signed minutes will be placed in the official board file (Corporate Minute Book) and available for the auditor's review

The board will ensure that it regularly reviews and clarifies its expectations (format, level of detail, timeliness, etc.) for the preparation of board documents (policies, minutes, etc) and communicates this to the Board Secretary

2. The authority of the secretary is access to and control over board documents, and the use of reasonable staff time. The authority of the secretary is access to and control over board documents, and the use of reasonable staff time. As well as to provide these documents upon request to Board Members



POLICY TYPE: GOVERNANCE PROCESS

GP #2f

POLICY TITLE: BOARD COMMITTEE PRINCIPLES

Date Adopted by Board: July 16, 2014

Reviewed with No Change: Dec 4, 2017

Reviewed October 2018

Approved by: Board of Directors

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Board committees, when used, will be assigned to help the board do its job, to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to EXECUTIVE DIRECTOR.

1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the EXECUTIVE DIRECTOR.
3. Board committees cannot exercise authority over staff. The EXECUTIVE DIRECTOR works for the full board, and will therefore not be required to obtain approval of a board committee before an executive action.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee, which has helped the board create policy on some topic, will not be used to monitor organizational performance on that same subject. The board retains responsibility and authority to monitor organizational performance on the same subject.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity, with the exception of the Government Affairs Committee.
6. This policy applies to any group that is formed by board action whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the EXECUTIVE DIRECTOR.



POLICY TYPE: GOVERNANCE PROCESS

GP #2g

POLICY TITLE: BOARD COMMITTEE STRUCTURE

Date Adopted by Board: July 16, 2014

Revised: October 20, 2014

Reviewed October 2018

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A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. Timely reporting to the Board shall be by submission of a written report, following each meeting, with appropriate verbal comment by the Committee chair.

1. *Nominating Committee:*

A. **Products:**

(1) Properly vetted list of potential board members according to board-stated needs, by no later than March Board Meeting, and

(2) Well-designed board development opportunities (e.g. events, training sessions, retreats) which meet board-identified governance needs.

B. **Authority:** To incur costs of no direct charges and no more than reasonable hours of staff time.

C. **Composition:** The committee will consist of the Board Chair, Incoming Chair and another Board member

2. *Audit Committee:*

A. **Products:**

(1) Specification of scope of audit prior to outside audit, by no later than 60 days after the fiscal year end.

(2) That a fully qualified external auditor conducts a competent audit annually, covering all normal audit topics and all Executive Limitations policies determined by the board to be monitored by external means, with audit results communicated to the board no later than 8 weeks before the AGM.

B. **Authority:** To incur costs of no more than \$5000 direct charges for the audit,

C. **Composition:** The committee consists of the Treasurer and 2 additional members of the Board of Directors.



**Government Affairs Committee (GAC):**

A. Products:

(1) Identify and prioritize government related issues that impact the success of the members' businesses.

(2) Produce a monthly list to be approved by the board of issues being addressed, the impact to the members, options considered, proposed position recommendations with a rationale, and proposed forum for communication.

B. Authority: Reasonable requests of staff time to carry out committee business will not be denied. The chair of the GAC, or a delegate, is authorized to communicate policies or positions approved by the board to the agreed upon forums.

C. Composition: Membership shall consist of a chair who is a member of the board, and up to 12 members of the ownership who do not have an undisclosed conflict of interest, and consistently attend GAC meetings. Members may vote on proposed position recommendations. Additionally, the GAC meetings may include Board of Trade members who are welcome to attend and participate and shall be recognized by the chair to speak, participate in discussion but may not vote. Board chooses the Chair of the Committee. The Nomination process will be that members can send in their interest in being on the committee. The selection of the committee members will be done by the chair of the committee and two members of the Board. Ongoing additions will be voted on by the committee members themselves.

Government Affairs Committee should have a staff member from the Economic Development Department of the City of Richmond Hill as a voting member.

The Mayor and/or Council of the City of Richmond Hill is invited to appoint an elected official to become an ex officio non-voting member of the Government Affairs Committee.

Members of the Committee will serve a 3 year term which can be renewed annually,  
All RHCOC Members can join the mailing list for the Government Affairs Committee.

D. Persistence: The existence of the GAC will persist as it is a core function of the Richmond Hill **Board of Trade**



POLICY TYPE: GOVERNANCE PROCESS

GP #2h

POLICY TITLE: ANNUAL PLANNING

Date Adopted by Board: July 16, 2014

Reviewed October 2018

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To accomplish its job with a governance style consistent with board policies, the board will follow an annual agenda that:

- (a) completes a re-exploration of Ends policies annually; and
- (b) continually improves board performance through board education and enriched input and deliberation.

1. The cycle will conclude each year on the last day of [month] so that administrative planning and budgeting can be based on accomplishing a one-year segment of the most recent statement of long term Ends.
2. The cycle will start with the board's development of its agenda for the next year.
  - A. Consultations with selected groups in the ownership or other methods of gaining ownership input will be determined and arranged in the 1st quarter, to be held during the balance of the year
  - B. Governance education and education related to Ends determination (e.g. presentations by futurists, demographers, advocacy groups, staff and so on) will be arranged in the 1st quarter, to be held during the balance of the year.
  - C. A board member may recommend or request an item for board discussion by submitting the item to the Chief Governance Officer no later than 5 days before the board meeting.
3. Throughout the year, the board will attend to required approval (consent) agenda items as expeditiously as possible.
4. EXECUTIVE DIRECTOR remuneration will be decided during the month of June after a review of monitoring reports received in the previous year.
5. EXECUTIVE DIRECTOR monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangement for third-party monitoring must be prepared.



POLICY TYPE: GOVERNANCE PROCESS

GP #2i

POLICY TITLE: GOVERNANCE INVESTMENT

Date Adopted by Board: July 16, 2014

Reviewed October 2018

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Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

1. Board skills, methods, and supports will be sufficient to ensure governing with excellence. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

A. Training and retraining will be used liberally to orient new board members and candidates for board membership, as well as to maintain and increase existing board member skills and understandings.

B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes but is not limited to financial audit.

C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values -.

D) Attendance at Community Events so the board can affect critical relationships for the Board of Trade

D. Contingency Fund for items that may arise that are helpful to ensure the effective operation of the board.

2. The board will establish its cost of governance budget for the next fiscal year by the month of August.