

TERMS OF REFERENCE FOR A DIRECTOR

1 FIDUCIARY RESPONSIBILITIES

Broadly speaking, a director of the Interior Health Authority (the “Authority”) has several fundamental obligations to fulfill:

(1) Honesty and Good Faith

Common law requires a director to act honestly and in good faith with a view towards the best interests of the Authority. The key elements of this standard of behaviour are:

- (a) A director must act in the best interests of the Authority and not in his or her self-interest. This also means a director should not be acting in the best interests of some special interest group or constituency.
- (b) A director cannot take personal advantage of opportunities that come before him/her in the course of performing his/her director duties.
- (c) A director must disclose to the Board any personal interests that he/she holds that may conflict with the interests of the Authority.
- (d) A director must respect the confidentiality requirements of the Authority's Code of Conduct and Conflict of Interest Guidelines for Directors.

(2) Skillful Management

A director shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means:

- (a) The standard of behavior expected of a director will depend upon the particular qualities or characteristics that the director brings to the Authority relative to the particular matters under consideration.

TERMS OF REFERENCE FOR A DIRECTOR

- (b) The director must be proactive in the performance of his or her duties by:
 - (i) attending meetings; a director who has not attended meetings of the Board must show diligence by examination of reports, discussion with other directors, and otherwise being sufficiently familiar with the organization's activities so that he/she does not suffer as a result of non-attendance;
 - (ii) participating in a meaningful way; and
 - (iii) being vigilant to ensure the Authority is being properly managed and is complying with laws affecting the Authority.

2 STANDARDS OF BEHAVIOUR ESTABLISHED BY THE BOARD

The Board has established the following standards of behaviour for directors.

(1) General

As a member of the Board, each director will:

- (a) demonstrate a solid understanding of the role, responsibilities and legal duties of a director and the governance structure of the Authority as outlined in the Board Manual;
- (b) demonstrate high ethical standards in personal and professional dealings;
- (c) understand the difference between governing and managing, and not encroach on management's area of responsibility; and
- (d) act collectively with the Board and not exercise individual authority over the Authority except as explicitly set for in Board policies.

(2) Strategies and Plan

As a member of the Board, each director will:

TERMS OF REFERENCE FOR A DIRECTOR

- (a) demonstrate an understanding of the Authority's strategic direction;
- (b) contribute and add value to discussions regarding the Authority's strategic direction; and
- (c) participate in monitoring and evaluating the success of the Authority and the President and Chief Executive Officer in achieving established goals and objectives.

(3) Preparation, Attendance and Availability

As a member of the Board, each director will:

- (a) prepare for Board and committee meetings by reading reports and background materials distributed in advance;
- (b) maintain an excellent Board and committee meeting attendance record¹;
- (c) organize him/herself so as to be able to attend the entire Board or committee meeting, not just parts of meetings; and
- (d) participate in committees and contribute to their purpose.

(4) Communication and Interaction

As a member of the Board, each director will:

- (a) demonstrate good judgement;
- (b) interact appropriately with the leadership and management of the Authority;
- (c) participate fully and frankly in the deliberations and discussions of the Board;
- (d) be a positive and constructive force within the Board;

¹ The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would create difficulties for the Board.

TERMS OF REFERENCE FOR A DIRECTOR

- (e) demonstrate an openness to others' opinions and the willingness to listen;
- (f) have the confidence and will to make tough decisions, including the strength to challenge the majority view;
- (g) maintain collaborative and congenial relationships with colleagues on the Board;
- (h) advise the President and Chief Executive Officer and the Chair in advance when introducing significant and/or previously unknown information or material at a Board meeting; and
- (i) once a decision has been made, support the decision.

(5) **Health Authority Knowledge**

Recognizing that decisions can only be made by well-informed directors, each director will:

- (a) become generally knowledgeable about the Authority's operation, health care issues, and how the Authority fits into the provincial health care system;
- (b) participate in director orientation and development programs developed by the Authority from time to time;
- (c) maintain an understanding of the regulatory, legislative, social and political environments within which the Authority operates; and
- (d) become acquainted with the Authority's senior managers.

3 **RIGHTS OF A BOARD DIRECTOR**

To ensure that directors can properly discharge their obligations, certain rights are essential. Most significant among these are:

(1) **Adequate Information**

TERMS OF REFERENCE FOR A DIRECTOR

A director has the right to be provided with all relevant data for decision-making including:

- (a) background to the need for action;
- (b) stakeholder consequences;
- (c) immediate and longer-term financial implications;
- (d) risk considerations;
- (e) available alternative courses of action; and
- (f) any other factors which may bear on the choices to be made.

(2) Management Access

Within reason, a director also has the right of access to senior management to:

- (a) expand his/her understanding of issues under discussion;
- (b) seek additional information; or
- (c) gain a better appreciation of the perspective from which management sees a particular issue in the context of strategic and operational goals.

This right exists on the premise that, except in the discharge of Committee responsibilities, directors will recognize management's role and the line of authority and exercise restraint in contacting members of the staff below the corporate level.

(3) Notice

A director is entitled to adequate notice of all meetings and sufficient time for a proper review of the agenda material, including an opportunity to seek any additional factual data or background information needed for a well considered and informed contribution to the Board's discussions.

(4) Minutes

TERMS OF REFERENCE FOR A DIRECTOR

A director should share in the approval of, and receive a copy of, the Minutes of all meetings of the Board. A director should also have, or have access to, copies of any written Committee Reports received by the Board.

(5) **Indemnification**

While due care and attention will normally provide the protection needed, a director has a right to an indemnification provision which clearly defines the limits of personal liability and allow him/her to focus on the duties of stewardship and accountability and the affairs of the Authority.