

## 1. Board Composition

Directors are members or employees of a subscriber Board and are elected or appointed by Voting Delegates in each Region.

(currently status:14 total / 2 per region)

### Core Rationale:

- Vehicle to hear constituent perspectives
- Diverse input on specific constituent based issues and concerns
- Connects organization closely with constituents

## 2. General Manager Function

The General Manager/Attorney-in-fact is the only employee of the board and is responsible for all operations and staff.

### Core Rationale:

- The board is responsible for recruiting, selecting, evaluating and terminating the General Manager.
- The pace of change requires the board to focus on the large strategic issues and provide input and perspective to the General Manager.
- The General Manager is a non-voting ex-officio member of the board and is the operational leader.
- The General Manager is ultimately responsible for all operational issues.
- The board recognizes the right of management to manage.
- The board with the General Manager sets the criteria for operational standards.
- The General Manager is evaluated on the ability to lead the operations and provide strategic perspective.
- The complexity of the business issues, available time to commit as a board member and the skills, knowledge and experience required, precludes members from day to day involvement in operations.

## 3. Board Function

The board's primary function is monitoring and decision-making in service to the organization.

### Core Rationale:

- The board is expected to be prudent in its decision-making in support of organizational strategies and priorities.
- The board systems are designed to support decision-making.
- The board and supporting information/communication "systems" ensure confidence in monitoring mission critical aspects of the organization
- Board focus is on "governing" vs. managing.
- Hiring strategic and operational expertise to lead the organization through the General Manager position is a key role of the board.
- The board members are champions and advocates for the organization.
- The board with the General Manager designates and develops alliances and partnerships beneficial to the organization.

## 4. Board Accountability

In addition to being responsible for the organization as a whole, the board is a self-responsible and accountable unit of the organization focused on:

- Auditing & satisfying its compliance requirements
- Measuring & monitoring its performance

### Core Rationale:

- The board exists to support the organization.
- The board applies the core commitments to its functioning.
- The board sets goals for itself, distinct from the goals of the organization that forward the mission of the organization.
- The board structures and organizes itself to meet its goals.
- The board leads and manages its own activities based on its function and responsibilities in service to the organization.
- The board ensures the expertise, knowledge and skills of its directors enable directors to carry out their duties
- The board ensures individual member contribution is effective through an assessment process
- The board measures and evaluates its contribution in meeting its own goals annually

## 5. Fiduciary Stewardship

The board is steward for subscribers' fiduciary interests and investments.

### Core Rationale:

- Financial results are reported fairly and in accordance with generally accepted accounting principles
- Financial reporting is transparent to subscribers and other key stakeholders
- The process for reviewing and selecting the organization's auditor meets required standards
- The board monitors the financial performance of the organization on behalf of its subscribers
- The board monitors the communication and reporting to stakeholders
- The board monitors the transparency of the fiduciary stewardship process
- The board ensures subscribers have access to and trust in the communication and monitoring processes

## 6. Risk & Asset Management

The board oversees the management of the organization's principal risks and assets on behalf of the subscribers.

### Core Rationale:

- The board ensures that all legal documents and records are properly prepared, approved and maintained
- The board ensures the organization operates at all times within applicable laws and regulations
- The board monitors to ensure the organization meets the industry's compliance standards
- The board ensures there is compliance with the articulated ethical standards of the organization
- The review and selection of any third party professional (legal, money managers etc.) meet established criteria
- The board ensures there are sufficient resources dedicated to the operations and development of the Board and its work
- The board identifies the principle risks of the organization
- The board ensures there is a system to manage the risks of the organization and monitors this system
- To govern effectively developments which have a significant and material impact on the organization are reported in a timely manner
- There is a General Manager leadership development and succession strategy and plan in place for the Board's sole employee

## 7. Strategic Leadership

Strategy and future directions are initially drafted and developed by the GM and the operational teams, enhanced by board expertise and approved by the board

### Core Rationale:

- General Manager and operational teams are acknowledged for their expertise in their sector and business
- Expertise throughout the organization provides valuable input and depth of content to the planning process.
- General Manager is hired for strategic leadership ability as well as operational skills.
- The board expertise is used strategically to hone initial planning.
- Strategy and future directions are initially drafted by the General Manager to provide a template for board discussions on the key strategic issues, drawing from their expertise.
- Strategic input from the board provides a broader perspective and addresses risk management issues in initial planning.
- The General Manager as the operational head and the board are co-creators and co-leaders of the strategic process.
- The board can more effectively fulfill its strategic role and responsibilities by deeper comprehension of issues and risk management.
- To fulfill its obligations the board approves the strategies and future directions of the organization.
- The General Manager earns the trust of the board to draft and develop strategy and future directions of the organization.
- It is the role of the board to lead and monitor the strategic process vs. creating the strategy/plan.
- The board is accountable for a clear, relevant, meaningful and well understood strategic direction.
- The diversity of the people on the board, test the validity of the strategy and future directions of the organization.
- Knowledge needs to be brought to the perspectives required in co-creation.
- Strategic planning process is a living and iterative process.
- The board need to use the organization's long range strategic priorities in its decision-making

## 8. Performance Systems

The board systems (frameworks, processes, protocols, information, etc.) support the primary function of monitoring and decision making.

**Core Rationale:**

- The “tools” and mechanisms of the board must support monitoring and decision making
- Processes and protocols need to add value to the boards function
- Systems must balance outcomes and means
- Reliability and simplicity are key measures of effective systems
- Good practice systems include:
  - board retention, recruitment, selection
  - board orientation
  - individual board member performance expectations
  - board member development system
  - board meeting processes
  - board structure supporting good governance