

TERMS OF REFERENCE GOVERNANCE COMMITTEE

A. PURPOSE

The Governance Committee (“**Committee**”) is a standing committee of the Board. The purpose of the Committee is to enhance the effectiveness of corporate governance of AHS and ensure compliance with relevant governance legislation and practices.

B. FURTHER DIRECTION

The Committee may direct any of its Members or management, to perform any responsibilities of the Committee itself. This direction will include a reporting accountability back to the Committee.

C. SCOPE

1. Recommendations for Board Approval

The Committee may consider, discuss and provide feedback relating to matters brought before it by management, the Board or on its own initiative and:

- (a) may approve matters which are administrative and non-substantive in nature such as those customarily made to: confirm the accuracy and completeness of the Committee’s own minutes; to appoint a vice chair for the Committee; conduct all or a portion of the Committee meeting in camera; and to approve the Committee’s meeting agenda and changes to the agenda;
- (b) may refer matters to another committee for that committee’s further consideration; and
- (c) may recommend a particular course of action relating to matters that are substantive in nature, to the Board for the Board’s further consideration or approval, but may not itself approve matters which are substantive in nature or require Board approval.

2. Governance Integrity

The Governance Committee shall:

- (a) monitor and advise the Board on developments and emerging best practices in governance;
- (b) review at least annually, the Terms of Reference for the Board, the Chair, the Members, and all Committees of the Board and, if appropriate, recommend amendments to the Board for approval;
- (c) review periodically and, if appropriate, recommend amendments to the Board for approval to:
 - (i) the Code of Conduct;
 - (ii) the Safe Disclosure Policy;
 - (iii) the Conflict of Interest Bylaw; and
 - (iv) any associated policies;
- (d) review periodically and, if appropriate, recommend to the Board for approval corporate governance initiatives as may be necessary or desirable to contribute to the operational success of the Board and AHS, and to foster a collaborative and productive relationship between the Board, Senior Executive, Alberta Health and Wellness, and the Minister;
- (e) periodically review the Mandate and Roles Document entered into between AHS and Alberta Health and Wellness and the Enactments and, if appropriate, recommend amendments to the Board for approval;
- (f) review periodically, the bylaws required by the Enactments to be in place, including without limitation borrowing, general, investment, health advisory council (community health council), and foundation, bylaws and, if appropriate, recommend amendments to the Board for approval;
- (g) review periodically, any other applicable bylaws, including without limitation medical, dental, midwifery, and podiatry staff, bylaws and, if appropriate, recommend amendments to the Board for approval;
- (h) receive annual corporate policy report updates;
- (i) review quarterly reports from the Ethics and Compliance Officer; and
- (j) review as required, significant governance and strategic documentation, roles and responsibilities and the corporate governance structure of directly or indirectly wholly-owned subsidiaries, and if appropriate, recommend amendments to the Board or to the respective subsidiary board for approval.

3. Risk Oversight

The Committee shall identify, monitor and oversee key risks that relate to:

- (a) corporate governance;
- (b) compliance with the Enactments; and
- (c) AHS' codes of conduct, bylaws and policies.

4. Governance Responsibilities

- (a) The Committee shall:
 - (i) evaluate, on an annual basis, its performance and review its Terms of Reference and shall, as it considers appropriate, recommend amendments to the Board for approval;
 - (ii) ensure adequate resources and support are in place to enable the Committee to fulfill its duties effectively and efficiently; and
 - (iii) fulfill such other duties as may be assigned to the Committee by the Board or the Chair.
- (b) The chair of the Committee shall annually provide input to the CEO, through the chair of the Human Resources Committee, with respect to the responsibilities and performance of members of Senior Executive whose responsibilities are within the mandate of the Committee.

5. Member Selection, Development, Evaluation, and Compensation

The Governance Committee shall:

- (a) make recommendation to the Chair for presentation to the Minister regarding the competencies and skills required of future Members to fulfill their roles and responsibilities;
- (b) identify suitable Member candidates for appointment to the Board, if requested to do so by the Minister;
- (c) review and make recommendations to the Board regarding an annual orientation and continuing education program for the Members to promote an understanding of their role in meeting the continuous and changing demands on the health care system;
- (d) annually assist the Chair to conduct evaluations of the Members, the Board as a whole, and the committees of the Board;
- (e) annually review the aggregated results of the committee evaluation as well as those of every other committee of the Board;

- (f) review and recommend processes to the Chair for undertaking annual evaluations of the Board, its Members, and its committees;
- (g) annually provide recommendations to the Board relating to the Board and committee structure, committee composition and committee chairs;
- (h) review annually the summary of Members' expenses; and
- (i) review annually a summary of the Members' remuneration, benefits and attendance to assist the Chair to prepare recommendations for any changes to the Minister.

D. MEMBERSHIP

1. Members

The Committee shall be comprised of:

- (a) a minimum of two Members appointed to the Committee by the Board, each of whom shall have voting rights and one of whom shall be appointed by the Board as Committee chair;
- (b) the Chair of the Board shall be an ex officio member of the Committee and shall have full voting rights;
- (c) the Vice Chair of the Board shall be an ex officio member of the Committee and shall have full voting rights;
- (d) the CEO shall be an ex officio member of the Committee, but will not have any voting rights; and
- (e) any other individuals who are not Members, and are appointed by the Chair, whose voting status will be determined at the time of appointment.

2. Term of Office

Committee Members shall be appointed annually by the Board, as required under the General Bylaws. The terms of individuals appointed by the Chair under section D. 1. (e) above, shall be determined at the time of appointment.

3. Committee Vice Chair

The Committee members shall appoint a Committee vice chair from among themselves. In the absence of the Committee chair, the vice chair shall chair the meeting.

4. Vacancies

The Chair may appoint a successor to serve for the balance of a vacated Committee member's term, or until their successor is appointed.

5. Advisors

The Committee may request the participation of advisors from time to time, including but not limited to AHS' employees, management, or external consultants, to provide advice or information to the Committee or to its members independently, with respect to any matter before or related to the Committee, at AHS' expense.

E. MEETINGS

1. Confidentiality

The nature and subject of discussions and deliberations on matters before the Committee are confidential until such time as a report is presented to the Board at a public meeting.

2. Frequency

The Committee shall meet at least four times each year at the call of the Committee chair, or at the discretion of the Chair.

3. Quorum

A majority of Committee members entitled to vote shall constitute a quorum. Committee members may participate in person or by any other method that permits them to hear and participate in the meeting.

4. Notice

Notice of the time and place of every meeting of the Committee shall be given electronically, by postal service, or as agreed to by the Committee members, at least seven days in advance of a meeting. In the event the Committee chair or Chair determines an urgent requirement to meet, notice of the time and place of the meeting may be given electronically or by telephone at least 24 hours in advance. Notice may be waived by unanimous consent of the Committee

members or by the Chair. Attendance of a Committee member at a meeting is a waiver of the notice of the meeting, except where the Committee member attends for the express purpose of objecting to the transaction of any business on the grounds that the Committee member was not given adequate notice of the meeting.

5. Report and Recommendations

Subject to confidentiality requirements, the Committee shall submit an overview report on the business conducted at each meeting, and shall make recommendations, if appropriate, to the Board at its next public meeting.

6. Minutes

The Corporate Secretary, Assistant Corporate Secretary or such other person acceptable to the Committee shall act as recording secretary to attend at every Committee meeting to take minutes. Minutes shall be approved by the Committee at its next meeting. Minutes of each meeting shall be provided to all Members for information.

7. Rules of Order

Unless provided otherwise in the General Bylaws or these Terms of Reference, Committee business and conduct of the Committee members shall follow Robert's Rules of Order as may be modified by the Committee chair.

F. DEFINITIONS

Capitalized terms appearing in these Terms of Reference have the meanings ascribed to them in these Terms of Reference or in the Board approved definitions document.