

GOVERNANCE MANUAL:

INCLUDING:

CODE OF CONDUCT & CONFLICT OF INTEREST GUIDELINES



**The Van Horne Estate on Minister's
Island Inc.**

2023

Approved in Principle by the VHEMI Board of Directors May 2, 2023

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INTRODUCTION

a) Background

The Van Horne Estate Minister Island Incorporated (VHEMI) is a community-based, not-for-profit organization established for the purpose of: 1) protecting, preserving, developing and promoting the legacy and future of Ministers Island; 2) ensuring the public ownership of and accessibility to the island; and 3) ensuring the environmental and economic sustainability of the island.

Ministers Island is owned by the Province of New Brunswick. VHEMI operates under the auspices of a 2008 Lease agreement with the provincial government. Under the agreement, VHEMI's mandate is to support the province's efforts to *manage, restore* and *operate* Minister's Island. Since its inception, VHEMI has played an important leadership role in positioning Minister's Island as one of the province's premier tourism destinations. The key factors for success have proven to be effective collaboration and communication between VHEMI, its members, partners, stakeholders, and government officials, both provincial and federal. The VHEMI Board of Directors are elected by the general membership of VHEMI.

The guiding lights for VHEMI's leadership are:

- ✓ Position Minister's Island as a premiere tourism destination point;
- ✓ Ensure Island activities are environmentally and economically sustainable.
- ✓ Provide meaningful representation of local community interests and priorities in the development and operation of Ministers Island;
- ✓ Ensure an effective and collaborative partnership with the province.
- ✓ Build strategic partnerships to enhance development and operation opportunities.

b) Purpose of Governance Manual

The policies and procedures contained in this Governance Manual relate specifically to corporate governance, including the conduct of the organization's leadership. The Governance Manual identifies the principles, standards, processes and procedures appropriate for corporate governance generally, as well as addressing VHEMI's unique needs and circumstances.

The manual is intended to support VHEMI's Board of Directors, its Executive Committee, the Executive Director, and the Senior Management Team in the execution and conduct of the business and affairs of the organization.

The Governance Manual also serves as an effective orientation tool for new members of the Board of Directors and/or VHEMI employees.

The Governance Manual is intended to ensure that VHEMI operates in accordance with:

- recognized governance principles;
- the *New Brunswick Business Corporations Act*
- VHEMI's Corporate Bylaws and;
- VHEMI's Management and Operating Agreement with the province.

The principles contained in this Governance Manual are in addition to any common law or legislative obligations of a director or officer of VHEMI, any contractual obligations between a director or officer and VHEMI, and any other obligation including VHEMI's *Code of Conduct and Conflict of Interest Guideline (see Appendix A)*.

c) Manual Development Process

VHEMI's Governance and Human Resource Committee, established by the Board of Directors, has the mandate to develop policies and procedures to ensure sound corporate governance. This mandate includes the development of this Governance Manual. In accordance with this mandate, the Governance Committee reviewed the following specific areas in detail:

Corporate Structure: examined relevant provisions of the *Business Corporations Act (New Brunswick)*; VHEMI's Letters Patent; VHEMI Corporate By-laws and the NB-VHEMI Management and Operating Agreement.

Corporate Governance System: reviewed processes to improve the Board's ability to function as a governance board versus an operations board.

Policies and Structure: examined policies and structures which support the Board's ability to carry out its responsibilities.

Terms of References: examined the roles, responsibilities, accountabilities and interrelationships of directors, officers, committees, Executive Director and the Senior management team.

Committees: examined the rationale, terms of reference and relationships of committees to the Board and management.

Information: examined the availability, relevance and timeliness of information required by the Board.

Official Languages: reviewed VHEMI's obligations under the *Official Languages Act* and policies of the province.

Privacy and Access to Information Policies: reviewed VHEMI's obligations under the existing and proposed privacy and access to information legislation and policies of the Province and the Department.

Following a review by the Board of Directors, including consultations with the Executive Director and Senior Management Team, this Governance Manual was approved by the Board of Directors on (day/month/year).

The mandate of Governance Committee includes ensuring the manual remains current with best not for profit management practices. Notwithstanding this fact, the Board of Directors also approved a motion to conduct a thorough review of the manual every five years.

GLOSSARY OF TERMS

In this Manual:

Act or Business Corporations Act (New Brunswick) means the Business Corporations Act, S.N.B. 1981, c. B-9.1, as amended from time to time and includes the regulations under the Act or any successor legislation or regulations.

Audit and Finance Committee means the Board's Standing Committee on Audit and Finance Committee established by the Board of Directors.

Board's Executive Team means the executive group of the Board of Directors, and includes the Chair, Vice Chair, Treasurer, and Secretary.

Board of Directors or Board means the elected and/or appointed board of directors of VHEMI.

By-laws means the current Corporate By-laws of VHEMI as amended and approved by the Board on January 17, 2023.

Chair or Chair of the Board means the Chair of the VHEMI Board of Directors

Code of Conduct means the Code of Conduct for the Board of Directors and employees of VHEMI.

Conflict of Interest means a situation in which the concerns or aims of two different parties are incompatible or a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

Corporate Governance means the process and structure used to guide and oversee the business and affairs of VHEMI.

Department means the Department of Tourism, Heritage and Culture for the Province of New Brunswick or its successor department responsible for the delivery of tourism, heritage and cultural activities within the Province of New Brunswick.

Executive Director means the Executive Director of VHEMI.

Governance and Human Resource Committee means the Board's Standing Committee on Governance and Human Resource Committee established by the Board of Directors.

Government Director means the provincial government official appointed by the Minister of Tourism, Heritage and Culture for the Government of New Brunswick to serve on the Board of Directors in order to represent the Department's interests.

Government Executive means a person holding the position of a deputy minister, assistant or associate deputy minister or other senior management position within the New Brunswick Government.

Guiding Principles means the eleven (11) corporate governance principles adopted by the Board of Directors on corporate governance.

Independent Director means a Director of the Board elected by the members of VHEMI and who is not a member of the Board Executive, a Government Director or from the New Brunswick Public Service.

Lease Agreement means the 2008 lease agreement signed between the province and VHEMI, as amended or replaced from time to time.

Letters Patent means VHEMI's Letters Patent signed March 2004.

Managing Director means a VHEMI employee assigned responsibility for managing a specific program within the VHEMI organization and who reports directly to the Executive Director.

Management and Operating Agreement means Schedule D of the 2008 Lease Agreement.

Members means members of the VHEMI corporation in good standing.

Minister means the Minister of Tourism, Heritage and Culture for the Government of New Brunswick or its successor department responsible for the delivery of tourism, heritage and cultural activities within the Province of New Brunswick.

Officers means the officers of the VHEMI corporation as appointed by the Board and approved by members.

Partners means individuals or organizations who have entered into arrangements with VHEMI for the purposes of improving the development of the island and/or enhancing the nature and delivery of services.

Province means the Province of New Brunswick.

Secretary means the Secretary of the VHEMI Board of Directors.

Senior Management Team means the Executive Director and Managing Directors of VHEMI.

Standing Committee means a sub committee of the Board of Directors.

Sustainable Development Committee means the Board’s Standing Committee on Sustainable Development.

Treasurer means the Treasurer of the VHEMI Board of Directors

VHEMI means The van Horne Estate Ministers Island Incorporated.

VHEMI Member means a member of the public who has purchased a VHEMI membership.

Vice-Chair means the Vice-Chair of the VHEMI Board of Directors

VHEMI MANDATE AND AUTHORITY

VHEMI derives its governance mandate and authority from five principal sources: 1) VHEMI members; 2) New Brunswick Business Corporations Act; 3) VHEMI’s Letters Patent; 4) VHEMI’s Corporate By-Laws; and 5) the New Brunswick-VHEMI Management and Operating Agreement.

a) Local Community

VHEMI is a not for profit, community-based organization. Its Board of Directors is elected by and accountable to the general membership of the organization. VHEMI membership is largely comprised of local members of the public with a commitment to the effective and efficient management, restoration and operation of Ministers Island. The Board of Directors and Senior Management Team are ultimately responsible and accountable to these members.

b) New Brunswick Business Corporations Act

VHEMI is a legal entity established under the auspice of the *New Brunswick Business Corporations Act*. The Van Horne Estate on Ministers Island Inc. governing statute provides that “*the business and affairs of a corporation shall be managed by one or more directors*”. The authority and responsibilities of the Board, and other governance issues, flow directly from the aforementioned Act and common law. (**See Appendix A**).

c) VHEMI’s Letters Patent

Letters Patent are a legal document necessary for the incorporation process and filed with the Government of New Brunswick. VHEMI’s Letters Patent are referenced in **Appendix A**.

d) VHEMI’s By-Laws

In general, corporate by-laws are the rules established to run the inner workings of the corporation. A corporation can also make rules to determine how its directors and officers

interact with each other and the world around them. Essentially, corporate bylaws are there to guide corporations by giving them the internal structure necessary for decision-making. Corporate bylaws outline the rights, powers and responsibilities of the Board of Directors and officers, and when they can choose to exercise those powers, and when they can choose not to. Corporate bylaws are there to make everyone involved in the corporation aware of the rules that the corporation will play by, and is legally binding on the corporation.

VHEMI's corporate by-laws are created and voted upon by the Board of Directors who are then legally bound by them. They may be amended from time to time and are to be updated on a regular basis (e.g. every five years) to ensure they remain current with applicable laws as well as the organization's actual practices.

A specific example of a corporate by-law pertains to the corporation's ability to borrow money. Because most businesses will need to borrow money from time to time, and most lenders will need to see the corporation's authorization to borrow money, it means that corporate bylaws are a necessary part of most corporations.

A bylaw becomes effective immediately upon passing without any further requirements. The most recent VHEMI corporate bylaws were approved by the Board of Directors on January 17, 2023. VHEMI's corporate by-laws are referenced in **Appendix A**.

e) Management and Operating Agreement

Ministers Island is owned by His Majesty the King in Right of New Brunswick. In 2019, administration and Control of the island was transferred from the NB Department of Transportation and Infrastructure to the Department of Tourism, Heritage and Culture. VHEMI operates under the auspices of a Lease agreement signed with the province on October 28, 2008. Schedule D of the 2008 Lease Agreement outlines the terms and conditions under which VHEMI manages Ministers Island. This arrangement has been of mutual benefit to both parties; VHEMI is able to ensure the interests of the local community are prioritized in the development and operation of the island while the province has a high calibre leadership and management team overseeing the island's development and its day-to-day operations, in a cost efficient manner..

As the owner of Minister's Island, the Province of New Brunswick is the major partner in VHEMI's business activities.

VHEMI VISION, MISSION AND VALUES

VHEMI's governance is undertaken in the context of its vision, mission and values, as outlined below:

a) Vision

VHEMI's vision is that Ministers Island will be the foremost cultural, heritage and eco-tourism destination in New Brunswick.

b) Mission

VHEMI's Mission is to:

- position Ministers Island as a premier eco-tourism destination
- ensure the Island's environmental and economic sustainability
- advocate for the protection and preservation of Ministers Island
- ensure public ownership and accessibility

c) Values

As we set out to work with our partners, stakeholders and government agencies, and most importantly our community, VHEMI adheres to the following values:

- ✓ inclusiveness
- ✓ stewardship
- ✓ education
- ✓ innovation and creativity
- ✓ recreation
- ✓ satisfaction
- ✓ partnerships

SPECIAL GOVERNANCE STATEMENTS

a) Guiding Principles of Governance

The Board of Directors has adopted the following eleven (11) principles to guide its governance activities:

- 1) *Create a framework for leadership, oversight and accountability:* The corporation will identify the respective roles and responsibilities of the Board of Directors, the Executive Director and Managing Directors.
- 2) *Structure the board to add value:* The Board will be comprised of directors who will contribute to its effectiveness.
- 3) *Attract and retain effective directors:* The Board will have processes in place to ensure that directors, individually and collectively, have the necessary competencies and other attributes.
- 4) *Continuously strive to improve the Board's performance:* The board will have processes to improve its performance and that of its committees, if any, and of individual directors.
- 5) *Promote integrity:* The corporation will actively promote ethical and responsible behaviour and decision-making.

- 6) *Recognize and manage conflicts of interest*: The corporation will establish a sound system of oversight and management of actual and potential conflicts of interest.
- 7) *Recognize and manage risk*: The corporation will establish a sound framework of risk oversight and management.
- 8) *Engage effectively*: The board will stay informed of the views of the province, members, partners and stakeholders through collaborative meeting processes as well as through ongoing dialogue.
- 9) *Official Languages*: The Board will ensure VHEMI complies with the requirements of the Province of New Brunswick's official languages legislation and policies.
- 10) *Privacy and Access to Information*: The Board will ensure that VHEMI complies in all respects with the Province of New Brunswick's privacy and access to information related legislation and policies.
- 11) *Indigenous Respect and Engagement*: The Board respects the indigenous heritage of Ministers Island and will seek meaningful engagement with the local indigenous people as it relates to the development and operation of Ministers Island.

(NOTE: The first eight (8) principles are sourced from the Canadian Securities Administrators source rules on corporate governance. Principles (9), (10) and (11) relate more specifically to the New Brunswick and local context).

b) Indigenous Respect and Engagement

It is the policy of the Board to respect Ministers Island's indigenous heritage and to seek ongoing and meaningful engagement with the local indigenous people and their representatives.

c) Partnerships

It is the policy of the Board to place a high value on building and maintaining partnerships that complement VHEMI's vision, mission and values.

d) Workplace and Sexual Harassment

It is the policy of the Board to have policies and procedures in place to effectively address complaints associated with workplace or sexual harassment.

e) Official Languages

It is the policy of the Board to fully meet its obligations under *New Brunswick's Official Languages Act* and will clearly direct the Senior Management Team that the official languages policies of the province are to be followed where identified by the Province.

f) Privacy and Access to Information

It is the policy of the Board to develop VHEMI related Privacy and Access to Information policies and ensure their compliance with the policies of the province where appropriate to do so.

BOARD OF DIRECTORS

a) Role and Responsibility

The fundamental role of the VHEMI Board of Directors is one of stewardship. Under Canadian corporate statutes, the directors' role is to oversee the management of the business and affairs of the corporation. Specific responsibilities which facilitate the discharge of the Board's oversight responsibilities include the strategic planning process, risk oversight and management, and ensuring the integrity of internal controls and management information systems. That responsibility is discharged through Board oversight of VHEMI's Executive Director and Senior Management Team who are responsible for the day-to-day conduct of the business.

It is important to emphasize the above point; the Board of Directors is responsible for approving the overall strategic direction and policy framework for VHEMI. The Board is NOT responsible for day-to-day operations; these are the responsibility of VHEMI's Executive Director. The Board is however, directly responsible for the recruitment, selection, monitoring and evaluation of the Executive Director and for overseeing the ways in which VHEMI's affairs are managed. In this way, the Board assumes responsibility for the stewardship of VHEMI.

The Board sets standards of conduct, including the organization's general moral and ethical tone, compliance with applicable laws, standards for financial practices and reporting, qualitative standards or measures for operations and other standards that reflect the views of the Board as to the best interests of VHEMI. The Board also establishes guidelines for its own performance.

As noted above, one of the key stewardship responsibilities of the Board is to approve VHEMI's goals, strategies and plans, the fundamental objectives and policies within which the business is operated, and evaluate the performance of the Executive Director. Once the Board has approved the goals, strategies and plans, it acts in a cohesive and unified manner in supporting and guiding the Executive Director. It is the responsibility of the Executive Director to keep the Board of Directors fully informed of the progress of VHEMI towards the achievement of its goals, strategies and plans, in a timely and candid manner.

The Board endorses the principle that sound corporate governance practices are important to the proper functioning of VHEMI. The Board regularly assesses emerging best corporate governance practices and is committed to being an adopter of such *best practices*.

The starting point for directors, in fulfilling their oversight role and consistent with their fiduciary responsibilities, is to satisfy themselves that the individual who is the Executive Director is properly qualified and worthy of the trust and confidence of the board of directors. Responsibility for the day-to-day management of VHEMI is delegated to the Executive Director and through him or her to the organization's senior management team. The relationship between the Board and the Executive Director is critical to good corporate governance and requires ongoing communication, collaboration and candour at all times.

While VHEMI's Board of Directors is responsible for managing the overall business affairs of the organization, the Chair of the board will interact with the Executive Director on policy related issues that may arise from time to time on a day-to-day basis. In such cases, the Chair may convene and seek the support of and direction from the Board's Executive Team. Depending on the specific nature of the issue, the Board's Executive Team may also call upon other members of the board, or decide when it is necessary to convene and seek the direction from the full Board of Directors.

The Board's Executive Team is also responsible for working with the Executive Director and Senior Management Team in the formulation of strategic plans, which are then presented to the Board of Directors for approval. However, in general, the process of strategic planning and/or policy development will always include specific interaction with the full Board of Directors.

Reciprocally, the Chair and the Board's Executive Team are responsible for keeping the other members of the Board of Directors fully informed of the progress of VHEMI towards the achievement of its strategic plans and of all material deviations from the plans and policies established by the Board, in a timely and candid manner.

Ultimately, the full Board of Directors approves the strategic plans of VHEMI (including, for example, a long-term strategic plan and short-term operating plan) within which the business of VHEMI is managed and performance is evaluated.

Once the Board has approved the strategic plans and policies, it acts in a unified and cohesive manner in supporting and guiding the Executive Director and Senior Management team in implementing them.

The Board of Directors of VHEMI have two fundamental objectives in mind with respect to its relationship with the Executive Director and Senior Management Team:

1. To provide leadership, mentoring and support to the Executive Director and Senior Management Team in the identification and execution of their responsibilities;
2. To hold the Executive Director and Senior Management Team accountable for fulfilling agreed upon strategic and operational goals and objectives.

In summary, the Board of Directors shall:

- Work with the Executive Director and Senior Management Team in identifying the organization's strategic direction, arising opportunities, resource requirements and impediments to success;
- Review and approve VHEMI's strategic plan and be involved at an early stage in any strategic planning initiatives;

- Ensure the Executive Director and Senior Management Team informs the Board in detail about how it is exercising its responsibilities for the day-to-day running of the corporation.
- Ensure the Executive Director and Senior Management Team is monitoring the performance of the business;
- Reach agreement with the Executive Director and Senior Management Team on sensible financial goals and objectives;
- Approve an annual budget and business plan and ensure that the Executive Director and Senior Management Team adhere to them;
- Ensure VHEMI has adequate internal control systems in place;
- Ensure the Executive Director and Senior Management Team has implemented appropriate systems and policies designed to ensure the appropriate information is available to make informed judgements on the management and operation of VHEMI;
- Ensure the Executive Director and Senior Management Team keeps the Board informed of any material matters affecting the organization (positive or negative) in a timely and appropriate manner;
- Monitor the financial results and other material developments to determine whether or not performance is consistent with forecasts and comparable with returns obtained by other entities operating in similar business and economic environments;
- Ensure the Executive Director has an appropriate succession plan for the Senior Management Team;
- Identify and monitor the ongoing risks to VHEMI's business;
- Maintain effective communication with the province;
- Preserve and add on to VHEMI's assets;
- Support the Executive Director in the execution of his or her duties;
- Conduct an annual performance review of the Executive Director; and
- Ensure the Executive Director has a meaningful performance review process in place for all VHEMI employees.

The responsibilities of the Board of Directors are also found in the Corporate By-laws (**see Appendix A**).

b) Composition and Size

The composition and size of the Board are established in the corporate by-laws. The size of the VHEMI Board is set at a minimum of eight (8) and a maximum of twelve (12). The Board is small enough for constructive interaction to take place, but at the same time large enough to encompass a broad representation of skills and experience and provide for an appropriate allocation of committee assignments.

c) Role of the Chair

The primary role of the Chair is to lead and guide the rest of the Board of Directors. The Board chair also serves as the direct liaison between the Board and the Senior Management Team. The chair's duties require him or her to stay in the loop on all board and Standing Committee

activities. To this end, the board chair serves as an *ex-officio* member of all Standing Committee meetings. The Chair must develop solid relationships with the Board's Executive Committee, other board members, and the Executive Director in order to lead effectively.

The Chair's responsibilities include helping prepare meeting agendas which are used to facilitate board meetings efficiently. During meetings, the Chair guides the rest of the board by focusing on the organization's vision, mission and strategic direction. It's critical for Chair to set a tone for the meeting that sets the stage for respect, collaboration and decision-making.

The Chair must be able to develop a trusted relationship with the Executive Director and act as a mentor and advisor, helping the Executive Director translate the board's strategic plans into action. The Chair must also be willing and able to ask the Executive Director the hard, probing questions that come from the board, and be willing to work in tandem with the Executive Director in times of crisis. The Chair must maintain an open-door policy in order to keep the lines of communication open. The Chair must also be mindful that his or her role is vastly different from the Executive Director's responsibilities. It's crucial that the Chair doesn't usurp the Executive Director's authority or overstep the Executive Director's role, except as may be necessary in the interests of VHEMI.

The Chair also needs to develop a strong relationship with the Board Directors. The Chair needs to facilitate board meetings in such a way that the board can do its own work. This duty includes encouraging all board members to be actively engaged. The Chair also typically participates in annual board member orientation, onboarding and development.

The bulk of board work happens in the Standing Committees. The Chair makes recommendations for Standing Committee chairs and seeks approval from fellow board directors. To stay in the loop on committee work, the board chair typically serves as an *ex-officio* member of all Standing Committees. The responsibility here is for the Chair to align committee work with the vision and mission of the organization.

d) Role of the Vice Chair

The role of the Vice Chair is important as the skills and characteristics needed are similar in nature to those required of the Chair. The primary duties of the Vice Chair include assisting the Chair in carrying out important tasks, standing in place of the Chair when he or she is absent and acting as a go-between for the Chair between other board members and the Senior Management Team.

The main duty of the Vice Chair is to help the Chair in any way possible. This may include preparing for board meetings and/or communicating board policy to other board members or to the Senior Management Team. In addition, the Vice Chair must be ready to fill in for the Chair if he or she is unable to attend or carry out his or her duties. The Vice Chair assumes the role of the Chair, usually temporarily, and has the power to make organizational decisions after receiving feedback from the rest of the board members. On some occasions, the Chair may be removed or

leave his or her post for personal reasons. In such cases, the Vice Chair typically takes over until a time when the board can vote for a new Chair.

e) Role of the Treasurer

The primary role of the board's Treasurer is to ensure the organization's finances are in good order and that systems are in place to ensure fiscal integrity.

From a **strategic perspective**, the Treasurer offers sound technical advice and ensures the board has access to cash flow projections and scenarios that can be used reliably for decision making. The Treasurer must be able to build a trusted relationship with the Executive Director and other staff with respect to gaining access to financial data, and be prepared to ask the hard probing questions to ensure the organization's finances and systems are trustworthy. It is important to note that donors and those offering grants to the organization will generally want to be shown that the organization's finances are healthy and that oversight systems are in place; and the Treasurer's role is key in this regard.

From an **operational perspective**, the Treasurer is responsible for ensuring board members are seeing good, clear data to help inform decisions. This requires building a relationship of trust and cooperation with the Executive Director and other VHEMI staff. The Treasurer needs to ensure the organization builds and implements a system for providing good financial information to the board and then communicating that data in a way the board can digest. In general, staff is responsible for producing the organization's financial reports, and the Treasurer is responsible for guiding what would be most useful in those reports and framing the board conversation from there.

From an **oversight perspective**, the treasurer's role is about ensuring good systems are in place, such as the process for selecting an auditor or establishing a budget review process. The Treasurer helps in the building of oversight guardrails.

f) Role of the Secretary

Under VHEMI's corporate policy governance model, the role of Secretary has two key areas of responsibility: 1) institutional knowledge and 2) corporate governance.

From an **institutional knowledge** perspective, the role of the secretary is of an administrative nature and he or she must ensure decisions made are properly recorded and that the organization's records are stored safely and securely. This ensures the organization's institutional knowledge is available for both current and future VHEMI boards and staff.

From a **corporate governance** perspective, with the adoption of the policy governance model, VHEMI has an increased focus on ensuring a strong framework of corporate governance is in place, and that this framework is clearly documented and communicated to the organisation. The Secretary is responsible for ensuring that this framework and any supporting policies and procedures are clearly documented. In this role, the Secretary assists the Chair on governance

matters and together they periodically review whether the existing governance model and related processes need to be strengthened. The Secretary also helps the board and its Standing Committees function effectively in accordance with their terms of reference and best practices. The role of the board Secretary also includes keeping the board informed of new legislation and how it applies to them.

g) Independent Directors

Independent members of the Board are individually and collectively responsible for ensuring the board and VHEMI function effectively and efficiently. Each member must be prepared to offer constructive advice and counsel during board meetings. Independent members are also expected to take on leadership roles on matters of importance, including chairing or participating in the board's Standing Committees. Independent members are responsible for ensuring the governance model adopted by the board is being implemented appropriately. The Independent members are also expected to support the members of the Board's Executive Team in the carrying out of their respective duties, while also holding them accountable. Independent members are also responsible for bringing to the board table the views and aspirations of the local community with respect to VHEMI and as such must ensure they stay connected with their local community.

h) Government Appointed Directors

A government appointed director of VHEMI is an important communication conduit between VHEMI and a department, specifically, and the government in power, generally. The Government appointed Director is responsible for bringing to the Board of Directors the views of his or her Minister, government department, and the government as a whole. He or she is also responsible for providing advice to the Board in his or her area of expertise. The Government Appointed Director is also expected to support the vision, mission and values of VHEMI and, where appropriate, to represent and advocate VHEMI needs and requirements as they relate his or her specific department or government as a whole. The appointed directors have a fiduciary duty toward VHEMI in addition to any obligations he or she may have to government.

i) Terms of Office

In accordance with VHEMI's corporate bylaws, Directors shall be elected for a two-year term. Each Director shall be eligible for re-election for two (2) additional two (2) year terms. Under special circumstances, a director's term may be extended. All Directors shall be members in good standing or shall represent eligible entities that are members in good standing.

The office of Director shall be automatically vacated: a) if a Director ceases to be a member of the Corporation; b) if a resolution is passed by a simple majority of the members of the Board present at a duly constituted meeting that he be removed from office, given that written notice has specified the intent to consider such removal for any reason whatsoever; c) if a Director misses three (3) of the Board Meetings without notice to the Board of Directors; d) if a Director

has resigned his office by delivering a written resignation to the Chair of the Corporation; e) if a Director is found by a court to be of unsound mind; f) if he or she has engaged in illegal or unlawful conduct; g) if a Director becomes bankrupt or suspends payment or compounds with his creditors; g) on death of a Director.

j) Standard of Care

Each director has the duty to act in any circumstance in the way in which he or she honestly believes to be in the best interests of VHEMI. The "**standard of care**" required to be discharged by directors of a "**not for profit**" corporations is somewhat less than that required for business corporations. For "**not for profit**" corporations a director need only meet the common law standard of exhibiting "the degree of skill that may be reasonably expected from a person of his or her particular knowledge and experience".

Notwithstanding the above, The Board of Directors adopts the policy that all directors, should always "act honestly and in ultimate good faith and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, in the best interests of the organization" and owes a fiduciary duty to VHEMI.

In this context, each member of the VHEMI Board of Directors shall:

- act honestly and in good faith with a view to the best interests of VHEMI;
- exercise powers properly for the purpose for which they are conferred;
- avoid conflicts of interest;
- not fetter or interfere with the exercise of directors' powers;
- use reasonable efforts to prevent VHEMI from acting in an illegal or financially irresponsible fashion; and
- maintain the confidentiality of information entrusted to him or her except in circumstances where disclosure is authorized or legally mandated.

k) Continuity Plans

The Board is committed to ensuring VHEMI is led by competent management. An important responsibility of the Chair of the Board is to ensure that he or she presents to the Board, at least on an annual basis, a plan for executive management succession and development.

l) Compensation

Members of the Board of Directors are volunteers and are not eligible for salary or other forms of compensation for their time. Depending on circumstances and with the prior approval of the Board of Directors, a member may be compensated for expenses incurred in the carrying out of his or her assigned duties.

m) Qualifications

First and foremost, a candidate director must be an individual. The following persons are disqualified by the Business Corporations Act from being directors:

- anyone under the age of nineteen;
- anyone who is of unsound mind as determined by a court;
- a person who is bankrupt; and
- a person convicted of an offence under the *Criminal Code* or the criminal law of any jurisdiction outside of Canada (i) in connection with the promotion, formation or management of a corporation, or (ii) involving fraud, unless three (3) years have elapsed since the completion of any penalty imposed for the offence.

Each director must also execute, deliver and abide by the Code of Conduct.

n) Indemnification and Liability Insurance

In accordance with the VHEMI by-laws, the VHEMI organization is required to take out Directors and Officers Liability Insurance at a level of coverage reasonable under the circumstances to indemnify each and every one of the Directors and officers from and against any liability that they may incur in their said capacity.

The Corporation shall pay for said Directors and Officers Liability Insurance. No Director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipts or other acts for conformity or for any loss or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the order of the Board of Directors for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by the error of judgment or oversight on his part or for any loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereof.

The Corporation shall indemnify the Directors or officers of the Corporation, former Directors or officers of the Corporation and their heirs and legal representatives against all costs, charges and expenses including an amount paid to settle an action or satisfy a judgment reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he has been made a party by reason of being or having been a Director or officer of the Corporation if:

a) He acted honestly and in good faith with a view to the best interest of the Corporation; and b) In the case of criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation shall also indemnify such Directors or officers who have been substantially successful in the defense of any civil, criminal or administrative action or proceeding to which he

is made a party by reason of being or having been a Director or officer of the Corporation against all costs, charges and expenses reasonably incurred by him in respect of such action or proceeding: if such officer or Director is fairly and reasonably entitled to such indemnity.

o) Acquisition and Disposal of Assets

The Directors may authorize the acquisition and disposal of physical assets consistent with the mandate of the Corporation. A physical asset purchased by or donated to VHEMI is the property of the Corporation. In the event a physical asset owned by VHEMI becomes surplus to the needs of the Corporation and unless otherwise determined by the Board's Executive team, the Executive Director is authorized to sell the asset subject to the asset having a market value of less than one thousand dollars (\$1,000). In this event, the Executive Director may first offer the asset for sale at the established value to employees of VHEMI. The Board of Directors must approve the sale of any asset with a market value of over one thousand dollars (\$1,000). If the Board approves the sale of the asset, the Executive Director will place the asset for sale on the open market and advertise the sale of the asset to the public. Once the asset is publicly advertised for sale on the open market, VHEMI directors and employees may purchase the asset without conflict of interest.

BOARD STANDING COMMITTEES

The Board of Directors often discharges its responsibilities with the assistance of Standing Committees. Some of these committees operate on an ongoing basis. Other committees are of an *ad hoc* nature and tasked with specific undertakings within a set timeline. All Standing Committees advise and formulate recommendations to the Board, but except in limited, specifically identified circumstances, do not have the authority to approve matters on behalf of the Board. Each Standing Committee has its own Terms of Reference setting out its mandate, key roles and responsibilities (see below).

The Board of Directors, in consultation with the Chair, identifies the need for a Standing Committee, develops its terms of reference, selects a chair for the committee, and identifies and appoints its members.

The membership of the Standing Committee, with the approval of the Board, may include members from outside of the VHEMI organization. In such cases these members are ex-officio, non-voting members.

The Board Chair is automatically a voting member of each Board Standing Committee. The Executive Director is automatically an ex officio, non-voting member of each Board Standing Committee.

The policy of the Board is to periodically rotate committee members taking into account expertise as well as the desirability and benefits of maintaining continuity in committee membership.

A Standing Committee Chair shall preside at meetings of the committee and is responsible to ensure the work of the committee is well organized and proceeds in a timely fashion.

The Standing Committee Chair shall arrange for an alternate to chair a meeting of the committee if he or she is absent from the meeting.

A Standing Committee Chair, in consultation with the committee members, will determine the agenda, frequency and length of the meetings.

Each Standing Committee shall include as part of its terms of reference an annual timetable of their principal annual activities.

Each committee has the duty to report to the Board at the next meeting of the Board following the committee meeting and, in particular, to report all matters which it considers to be important for Board consideration. Minutes of the Standing Committees shall be available to the Board.

Chart 1 below is an executive summary of VHEMI Board of Directors' current Standing Committees, their mandate and terms of reference.

STANDING COMMITTEE NAME	MANDATE	TERMS OF REFERENCE
Sustainable Development	Oversee the corporation's strategic planning and infrastructure related initiatives.	<ul style="list-style-type: none"> • Oversee VHEMI's strategic planning initiatives. • Provide leadership and direction on all infrastructure related matters. • Provide recommendations to the Board of Directors on proposed new infrastructure and restoration priorities. • Collaborate with THC and the province on the setting capital budget priorities. • Provide leadership in relation to trail development and usage on the island. • Ensure environmental and sustainability principles are incorporated into all infrastructure and operational decision-making. • Identify any risks and maintain a risk registry associated with achieving the organization's strategic direction. • Submit an annual report to the Board of Directors on committee activities.
Governance and Human Resources	Provide oversight on VHEMI's governance model and on human resource matters.	<p>Governance</p> <ul style="list-style-type: none"> • Provide leadership and direction on VHEMI governance related matters. • Provide recommendations to the Board of Directors on how to improve VHEMI's governance model and activities. • Recommend to the Board the members to appoint to various committees.

		<ul style="list-style-type: none"> Assess and provide recommendations to the Board of Directors on potential new members. Ensure VHEMI's Governance manual is maintained and monitored for potential improvements. Provide the Board of Directors direction on governance related issues. Oversee the development of and ensure the corporation's compliance with the VHEMI – THC Management and Operation Agreement <p>Human Resources</p> <ul style="list-style-type: none"> Oversee human resource related issues, including but not limited to interactions between the Board and its Executive Director. Provide leadership and direction on VHEMI Human Resource matters. Provide recommendations to the Board of Directors on how to improve VHEMI's human resource activities. Ensure VHEMI has proper position descriptions for the Executive Director and Senior Management Team. Ensure annual performance assessments are conducted for the ED and Board's Executive Team. Provide recommendations to the Board of Directors on pay scales for the Executive Director and Senior Management Team. Submit an annual report to the Board of Directors on committee activities.
Audit and Finance	Oversee the preparation of the annual budget, monitor budget related activities and ensure accountability for budget expenditures.	<ul style="list-style-type: none"> Provide leadership and direction on VHEMI's finance related issues. Provide recommendations to the Board of Directors on VHEMI's annual budget and annual report. Ensure VHEMI has proper financial monitoring and controls in place. Submit an annual report to the Board of Directors on committee activities.
Fund Raising	Identify the means to raise external funds to support the work of VHEMI.	<ul style="list-style-type: none"> Provide leadership and direction on VHEMI's fund raising efforts. Recommend fund raising ideas to the Board of Directors. Interact with government agencies related to fund raising for VHEMI. Submit an annual report to the Board of Directors on committee activities.
Nominating	Identify and recommend members of the Board of Directors for the Executive of the Board of Directors as well as those board members identifies as officers of the corporation.	<ul style="list-style-type: none"> Identifies, recruits, vets and recommends to the Board of Directors potential members of the Board of Directors Nominates the incoming Executive Committee of the Board of Directors at the Annual General Meeting. Nominates the incoming corporate officers at the Annual General meeting. Accepts nominations from the floor at the Annual general meeting. Oversees the election of the Executive and the Officers at the Annual General Meeting.

HUMAN RESOURCES

a) Principles of Human Resource Management

The Board of Directors is committed to ensuring VHEMI’s approach to Human Resource (HR) Management is founded on meaningful principles. The Board recognizes that the most important resource a company has the people who work for the organization. The Board also recognizes that the biggest task of an organization is to manage people effectively. These are both considered to be essential to organizational success.

“Human Resources” is an umbrella term used to describe the management as well as development of employees in an organization. It is essential that employee talent is used efficiently and effectively to accomplish the organizational strategic goals. HR Management can contribute a company’s growth and stability if implemented effectively. Human resource management deals with employee benefits, compensation, performance and reward management, wellness, safety, organizational development, employee relations, motivation, etc.

The Board of Directors adopts the following guiding principles associated with human resource management.

PRINCIPLE	COMMITMENT
Respect and Dignity	All employees are to be treated with respect and dignity.
Competence	Always seek the most qualified individuals for available positions.
Gender Equity	Ensure gender equity in recruitment and remuneration.
Fair and Equitable Remuneration	Ensure fair and equitable remuneration in accordance with employee’s qualifications, responsibilities, and performance.
Orientation and Training	Ensure a meaningful orientation and annual training program is available for every employee.
Succession	Ensure a succession plan is in place for each position in the organization.
Assessment and Feedback	Ensure the approach to performance assessment and feedback is of an ongoing nature. Also ensure the annual performance assessment process is transparent, fair, candid, and includes 360 feedback.

b) Recruitment

The Board of Directors commits to ensuring all recruitment processes are fair and equitable in its opinion.

c) Job Description

The Board of Directors commits to ensuring each and every position in the VHEMI organization has a job description which is available to the prospective and current employees.

d) Remuneration

The Board of Directors commits to ensuring remuneration for employees is fair and competitive with other similar operations, subject to annual budget considerations.

e) Performance Assessment

The Board of Directors commits to ensuring every employee receives ongoing performance feedback as well as an annual performance review. The Board of Directors further commits to ensuring the Executive Director receives ongoing performance feedback and an annual performance review.

f) Succession Planning

The Board of Directors commits to ensuring a succession plan is maintained for each position in the organization, including one for the Executive Director.

EXECUTIVE DIRECTOR

a) Key Responsibility Areas

Summarized below are the key responsibility areas of VHEMI's Executive Director. These responsibilities form the basis of the Executive Director's terms of employment. The summary also provides insights into a number of the core competencies required for the position. The summary is purposely broad in nature and the specific position description will obviously provide further insights and details into the position. The Executive Director's annual workplan must always reflect the key responsibility areas but will normally also provide additional levels of details on the specific goals, objectives and targets to be expected. The responsibility categories listed below are not meant to be exclusive and may be added to or amended as the position evolves over time and/or for further clarification of responsibilities. The responsibility areas listed below are all carried out under the auspices of the Board of Directors.

Leadership	Provide strategic and sound leadership in the management, restoration and operation of the Island.
Management	Effectively manage programs and mobilize and supervise VHEMI staff.
Culture	Foster a culture of integrity, respect, trust and safety within the organization.
Communication	Communicate effectively with the Board of Directors, staff, VHEMI members, government officials, partners, and the general public.
Creativity and Innovation	Promote innovation and creativity within the organization.
Change Management	Effectively manage change within the organization.
Strategic Planning	Contribute to the vision and strategic planning for the Island.
Partnerships	Seek, engage and collaborate successfully with partners.
Results	Be results oriented.

Accountability	Be accountable to the Board of Directors for results.
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b) Core Competencies

The Executive Director should possess the following core competencies.

Leadership	Proven ability to lead a team of professionals.
Management	High level experience in managing programs and staff.
Culture	Track record of fostering a culture of integrity, respect, trust and safety within an organization.
Communication	Proven ability to communicate effectively and respectfully with senior management, partners, stakeholders, clients and the general public.
Creativity and Innovation	Capacity to promote innovation and creativity within an organization.
Change Management	Track record of effectively managing change within an organization.
Strategic Planning	Capacity to contribute meaningfully to an organization's vision and strategic plan.
Partnerships	Proven track record of building strategic partnerships.
Results Oriented	Ability to focus on and obtain results in targeted areas.
Accountability	Proven track record of being accountable for actions and results.

c) Position Description

The Executive Director's position description will always be founded on the responsibilities and core competencies identified above.

d) Qualifications

The qualifications for the position of Executive Director will be guided on the responsibility areas and core competencies identified above. Other areas of importance may include: meaningful and related experience in the tourism sector; ability to communicate in both official languages; and experience working with indigenous people and communities.

e) Annual Workplan

The Board of Directors will work collaboratively with the Executive Director in the development of his or her annual workplan. Once finalized, the Executive Director is then responsible for the delivery of the workplan. The Executive Director is also responsible for regularly reporting progress on the workplan to the Board of Directors as well as any arising issues arising potentially impacting on or requiring amendments to the workplan.

f) Remuneration

The Board of Directors will ensure the Executive Director is fairly compensated. Compensation will be predicated on comparable positions within the province's tourism sector, as well as his or her experience and track record of results. As a not-for-profit organization, the Board of Directors must also take into consideration ability to pay relative to revenues generated.

Any increase in remuneration or benefits must receive the prior approval of the Board of Directors. The Executive Director is entitled to three weeks of vacation, or in lieu of vacation, may receive vacation pay. In the latter case, the Board must approve the allocation of vacation pay.

g) Recruitment

The Board of Directors is responsible for recruiting the Executive Director through a fair and transparent recruitment process.

h) Reporting Structure

The Executive Director reports to and is accountable to the VHEMI Board of Directors. On a day-to-day basis the Executive Director will normally function in collaboration with the Chair of the Board of Directors. Notwithstanding the aforementioned, the Executive Director is required to bring forward any and all issues of a substantive nature to the attention of the full Board of Directors.

i) Term of Office

The Executive Director serves at the pleasure of the Board of Directors, usually within the context of an employment contract. This contract shall govern the parties in the event of any conflict with this manual and may supercede any provision of this manual. The length of the contract will normally be between three to five years, sufficient to provide the Executive Director with a level of employment security. Generally, an employment contract will not exceed five years. A probation period of six months will normally be required but may be waived at the discretion of the Board of Directors. Every contract is subject to renewal at the discretion of the Board of Directors. Should the Board of Directors decide not to renew a contract, the Executive Director will be provided fair notice prior to the termination date of the contract. A severance allowance may be offered at the discretion of the Board of Directors subject to normal practices within other related organizations, years of service, current circumstances, and the organization's ability to pay.

j) Assessment of Performance Review

A fair and transparent review of the Executive Director's performance will be undertaken by the Board of Directors each year. The timing of the annual review will normally be aligned with the end of the organization's fiscal year. The annual review will include an evaluation of performance relative to the Executive Director's job description (e.g. responsibility areas/core competencies) and his or her previous year's annual workplan, and will include confidential consultations with individual members of the Board of Directors, staff, partners and stakeholders.

MANAGING DIRECTORS

a) Key Responsibility Areas

The key responsibility areas of a Managing Director are similar in nature to those of the Executive Director; however, they are undertaken within the context of a specific program area. For the purposes of this Governance Manual, the key responsibility areas are repeated below for ease of reference. The Managing Director's annual workplan must always reflect the key responsibility areas within the context of his or her program area. The workplan will include details on the specific goals, objectives and targets to be expected within the program. As before, the responsibility categories listed below are not meant to be exclusive and may be added to or amended as the position evolves over time and/or for further clarification of responsibilities. The responsibility areas listed below are all carried out under the direction of the Executive Director.

Leadership	Provide strategic leadership relative to his or her specific area of responsibility as well strategic and sound advice to the Executive Director on the general management, restoration and operation of the Island.
Management	Effectively manage his or her specific programs and mobilize and supervise his or her staff resources.
Culture	Contribute to the fostering of a culture of integrity, respect, trust and safety within the organization.
Communication	Communicate effectively with the Executive Director and his or her staff, VHEMI members, government officials, partners, and the general public.
Creativity and Innovation	Promote innovation and creativity within his or her team.
Change Management	Effectively manage change within his or her area of responsibility.
Strategic Planning	Provide sound advice to the Executive Director relative to the vision and strategic planning for the Island.
Partnerships	Provide sound advice to the Executive Director on potential partnership opportunities for the organization.
Results	Be results oriented.
Accountability	Be accountable to the Executive Director for results.

b) Core Competencies

A Managing Director should possess the following core competencies.

Leadership	Ability to lead a team of professionals.
Management	Experience in managing programs and staff.

Culture	Track record of fostering a culture of integrity, respect, trust and safety within an organization.
Communication	Proven ability to communicate effectively and respectfully with colleagues, partners, stakeholders, clients and the general public.
Creativity and Innovation	Capacity to promote innovation and creativity within an organization.
Change Management	Ability to manage change within an organization.
Strategic Planning	Capacity to contribute meaningfully to an organization's vision and strategic plan.
Partnerships	Ability to build strategic partnerships.
Results Oriented	Ability to focus on and obtain results in targeted areas.
Accountability	Track record of being accountable for actions and results.

c) Position Description

A Managing Director's position description will always be founded on the responsibilities areas and core competencies identified above.

d) Qualifications

The qualifications for the position of a Managing Director will always be founded on the responsibility areas and core competencies identified above. Meaningful and related experience in the specific program area, and tourism sector generally, will always be preferred. Ability to communicate in both official languages will also be preferred.

e) Annual Workplan

The Executive Director will work collaboratively with the Managing Director in the development of his or her annual workplan. Once finalized, the Managing Director is then responsible for the delivery of the workplan. The Managing Director is also responsible for regularly reporting progress on the workplan to the Executive Director as well as any arising issues arising potentially impacting on or requiring amendments to the workplan.

f) Remuneration

The Board of Directors and Executive Director will work jointly to ensure any and all Managing Directors are fairly compensated. Compensation will be predicated on comparable positions within the province's tourism sector, as well as his or her experience and track record of results. Gender parity is a given within VHEMI and any related remuneration complaints will be addressed by the Executive Director, with ability to appeal to the Board of Directors. When determining remuneration levels, all staff must recognize that as a not-for-profit organization, the Board of Directors must always take into consideration ability to pay relative to revenues generated.

g) Recruitment

Once the Board of Directors approves the establishment of a Managing Director position, recruitment for the position is the responsibility of the Executive Director. The Board of Directors is solely responsible for ensuring the recruitment process used by the Executive Director is fair and transparent. Notwithstanding the above, the Executive Director will generally consult with the Chair and Human resources Committee of the Board of Directors on the recruitment and related processes.

h) Reporting Structure

A Managing Director reports to and is accountable to the Executive Director. A Managing Director is required to bring forward any and all issues of a substantive nature in his or her area of responsibility to the attention of the Executive Director.

i) Term of Office

Upon recruitment, a Managing Director will be offered an employment contract. The length of the contract will normally be between three to five years, sufficient to provide the Managing Director a level of employment security. However, no employment contract is to exceed five years. A probation period of six months will normally be required but may be waived, upon the recommendation of the Executive Director, at the discretion of the Board of Directors.

j) Assessment of Performance Review

A fair and transparent review of each Managing Director's performance will be undertaken by the Executive Director each year. The timing of the annual review will normally be aligned with the end of the organization's fiscal year. The annual review will include an evaluation of performance relative to the Managing Director's job description (e.g. responsibility areas/core competencies) and his or her previous year's annual workplan, and will include confidential consultations with other staff members, and any appropriate partners and stakeholders.

STAFF POSITIONS

a) Position Description

Every staff position will have a job description. This job description will be developed by the Executive Director and approved by the Board of Directors.

b) Qualifications

The qualifications for the staff position will be predicated on the position's job description. Meaningful and related experience in the specific program area, and tourism sector generally, will always be preferred. Ability to communicate in both official languages will also be preferred.

c) Annual Workplan

Every staff person will have an annual workplan. The staff person will develop the workplan in cooperation with his or her immediate supervisor. The staff person is responsible for reporting progress on the workplan to his or her supervisor on an ongoing basis as well as any arising issues arising potentially impacting on or requiring amendments to the workplan.

d) Remuneration

The Board of Directors and Executive Director will work jointly to ensure all VHEMI staff are fairly compensated. In general, compensation will be predicated on comparable positions within the province's tourism sector, as well as the staff person's experience and track record of results. Gender parity is a given within VHEMI and any related remuneration complaints will be addressed by the Executive Director, with ability to appeal to the Board of Directors. When determining remuneration levels, all staff must recognize that as a not-for-profit organization, the Board of Directors must always take into consideration ability to pay relative to revenues generated.

e) Recruitment

Once the Board of Directors approves the establishment of a staff position, recruitment for the position is the responsibility of the Executive Director. The Board of Directors is solely responsible for ensuring the recruitment process used by the Executive Director is fair and transparent. Notwithstanding the above, the Executive Director will generally consult with the Chair and Human resources Committee of the Board of Directors on the recruitment and related processes.

f) Reporting Structure

A staff person reports to and is accountable to his or her immediate supervisor. Staff is required to bring forward any and all issues of a substantive nature in his or her area of responsibility to the attention of their supervisor.

g) Term of Office

Upon recruitment, the staff person will be offered an employment contract. A probation period of six months will normally be required but may be waived, upon the recommendation of the Executive Director, at the discretion of the Board of Directors.

h) Assessment of Performance Review

Every staff person is entitled to a fair and transparent annual performance review. The timing of the annual review will normally be aligned with the end of the organization's fiscal year. The annual review will include an evaluation of performance relative to the staff person's workplan and job description and may include confidential consultations with other staff members, and any appropriate partners and stakeholders.

MEETINGS

a) Annual General Meeting

In accordance with the VHEMI corporate by-laws, an Annual General Meeting (AGM) must be held at least once in every calendar year and not more than 15 months after the holding of the last Annual General Meeting.

b) Meetings of the Board of Directors

The Board of Directors are committed to meeting at least four (4) meetings per year, in accordance with VHEMI's corporate by-laws. In general, Board meetings may be held at any time and place as determined by the Directors provided that 48 hours notice of such meeting shall be given to each Director. A quorum for any meeting of the Board of Directors shall be fifty percent (50%) plus one (1) of the total number of Directors. The directors may meet by teleconference or other electronic means. Each Director is authorized to exercise one (1) vote. Voting shall be determined by a simple majority of Directors present.

NEW MEMBERS

The Board of Directors is committed to ensuring the composition of the Board remains robust and in keeping with the corporate by-laws. The Board is also committed to diversity and recruiting members with backgrounds and experience reflective of the needs of the organization.

CODE OF CONDUCT AND CONFLICT OF INTEREST GUIDELINES

The Board is committed to ensuring that members of the Board of Directors and VHEMI officers abide by a Code of Conduct and avoid any potential conflicts of interest. VHEMI's *Code of Conduct and Conflict of Interest Guidelines* attached to this manual as **Appendix B**.

The Board of Directors considers it critical that Board Members and employees are independent with respect to decision-making. A member or employee is considered independent if they have no vested interests in Ministers Island, and their relatives have no vested interests.

Exemptions: In a community as small as Saint Andrews, from time to time a relative may be actively employed by an external contractor, or have unique and special skill required by the organization. In these cases, the Board of Directors may grant an exemption, by resolution. In order to be granted an exemption, the Chair of the Board of Directors must be informed of the potential conflict in advance of the activity taking place.

STRATEGIC PLANNING

The Chair, with the support of the Board, is responsible for leading VHEMI into the future and therefore must ensure there are long-term goals and strategies in place. This occurs on an annual basis and is an important component of the Board's forward agenda. The initiative for developing

the corporate strategy comes from the Executive Director with the support of the other members of the Senior Management Team. The Board participates in the discussion of the strategy, responds and contributes ideas, and approves the strategy. While the Executive Director leads this process the Board is responsible for monitoring his or her success in developing and implementing the strategy.

RISK MANAGEMENT

The Board has established a Risk Management Registry, including a listing of all known major risks with the potential to negatively impact on VHEMI's ability to achieve its strategic plans, goals and objectives. The Registry is intended to accurately reflect VHEMI's risk profile. The purpose of the Registry is as follows:

- Allows VHEMI to develop, approve and implement policies and procedures for the oversight and management of the principal risks.
- Allows VHEMI to take into account any legal obligations; and
- Describes the roles and accountabilities of the Board and Senior management team related to risk management and mitigation, and
- Allows VHEMI to regularly review and evaluate the effectiveness of mitigation policies and procedures.

The Board of Directors is committed to ensuring the Risk Registry remains current and appropriate mitigation measures are identified and implemented, where possible and appropriate.

ENGAGEMENT

The Board of Directors understands that for the organization to be successful it must effectively engage its partners, stakeholders, and other potential supporters including each of the following groups:

a) Members

The Board of Directors receives its mandate from the members of VHEMI. The Board is committed to ensuring members are well informed of the organization's strategic direction, proposed activities, and governance model.

b) Province

The Board is committed to working closely with the Government of New Brunswick, including its elected officials and departments. In particular, the Board will communicate openly and effectively with the government's lead department, Tourism, Heritage and Culture.

c) Indigenous Community

The Board is committed to working closely with the local indigenous community in a spirit of respect and cooperation.

d) Guests

The Board of Directors is committed to ensuring tourists and other guests to the island receive a high-quality and experiential experience. The Board will ensure ample opportunities for guests to provide feedback as a means of improving service on an ongoing basis.

e) Partners

The Board of Directors is committed to seeking out partners to assist in the delivery of high-quality services. The Board will communicate openly and engage partners in a professional manner.

f) Public

The Board of Directors is committed to ensuring the general public is aware of its operations and services. The board will ensure the organization offers high quality information services to the general public and be responsive to inquiries.

APPENDICES

APPENDIX A: DOCUMENTS RELATING TO THE GOVERNANCE MANUAL

The VHEMI Governance Manual references several other documents pertinent to both the content of the manual and to the organization as a whole. Rather than attaching them in their entirety to this manual, in the interest of brevity the chart below provides the appropriate website address for easy referencing.

DOCUMENT NAME	WEBSITE ADDRESS
VHEMI Corporate Bylaws	June 17, 2015 Version https://www.ministersisland.net/PDF/VHEMI_By-laws-June-17-2015.pdf January 17, 2023 Version Ministersisland.net
VHEMI Code of Conduct and Conflict of Interest Guidelines	Ministersisland.net
NB Business Corporation Act	https://www.canlii.org/en/nb/laws/stat/snb-1981-c-b-9.1/latest/snb-1981-c-b-9.1.html
VHEMI Letters Patent	Insert website address
NB-VHEMI Management and Operating Agreement	Insert website address