

# **The Hamilton Chamber of Commerce**

## Board Policy Manual

Adopted September 17, 2019

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# INTRODUCTION

## **Background**

In 2012, the Board of Directors (“Board”) of the Hamilton Chamber of Commerce (“Chamber”) instituted a complete overhaul of the organization’s By-laws, shifting their role from a “working board” model to an “oversight board”. The powers of President and CEO were imbued in one person, the chief executive of the organization. This restructuring was undertaken to have a consistent “face of the Chamber”, bring more professionalism to the organization – both from the Board and the executive – and to reflect modern trends in organizational/association management.

At the Board Strategy Session in February 2019, facilitator Adam Legge led the Chamber Board and staff through a process to determine the areas in which the organization was performing remarkably and areas for improvement. Much of the discussion pertaining to the latter was focused on a lack of a formal Board nomination and orientation process, and the absence of formal Board policies. It was agreed at the end of the strategy session that the CEO will work with the Vice Chair to finalize a task force of Board members, develop a work plan and identify deliverables and timelines.

These policies were generated out of that effort and great thanks go to the members that contributed their advice and wisdom to the Board Governance Task Force, comprised of Directors Louis Grilli (Chair), Alison Horton (Vice Chair), John Pryke and Anna Filice, with significant staff resources provided by Whitney Eames.

The purpose of this manual is to advise the Hamilton Chamber of Commerce Board Members of the roles, individual responsibilities, and policies that pertain to their relationship as a Director in this significant and historic not-for-profit corporation that is Hamilton’s Voice of Business and oldest institution. In the event of any perceived inconsistencies with the provisions of the By-laws of the Hamilton Chamber of Commerce, the By-laws shall take precedence.

The manual should be reviewed and updated by the Board every two years. The contents of the manual will remain in effect until changes are made by Board motion. Queries, suggestions, and changes regarding the contents of the manual should be directed to the President and CEO.

# CONSENT TO ACT AS DIRECTOR

I declare that in carrying out my duties as a Director of the Hamilton Chamber of Commerce, I will:

- Exercise the powers of my office and fulfill my responsibilities in good faith and in the best interests of the Chamber;
- Exercise these responsibilities at all times with due diligence, care and skill in a reasonable and prudent manner;
- Respect and support the Chamber's:
  - By-laws, including the objects therein;
  - Policies laid out in this Board Policy Manual, including the Code of Conduct and this Consent to Act as Director, and;
  - Decisions of the Board and membership;
- Ensure the Chamber and I, to the best of my abilities, comply with all requirements and obligations under the Government of Canada Boards of Trade Act and all other provincial and federal statutes governing the management of the Chamber, including those respecting deductions and remittances for employee wages, meetings, reports, statements, records and other documents, filing and notices. Though the Chamber maintains indemnification and insurance policies to mitigate risk to directors, in some very limited cases (see the Board Liability section of this policy manual) I understand that I may be personally liable for the Chamber's failure to comply;
- Ensure the Chamber and I, to the best of my ability, comply with all requirements and obligations under the Employment Standards Act;
- Represent the membership of the Chamber and account thereto for my conduct in overseeing its affairs and make such disclosures as necessary to ensure organizational transparency.

I understand that a Director is taken to consent to a resolution unless he or she dissents, but that once a decision of the Board is made, it will be implemented in solidarity.

I hereby consent to act as Director of The Hamilton Chamber of Commerce.

\_\_\_\_\_  
*Director (Name in print)*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

## GOVERNANCE ROLES

### Authority and Accountability

Individual Directors are elected and appointed to two-year terms under the authority of the By-laws and in accordance with the processes outlined herein, and are responsible to the members as a whole. Directors have no authority to act or give directions individually other than in such manner as is approved in these policies or by direction of the Board. Where the Board delegates authority to an individual Director, Officer, committee or task force, the Board retains ultimate responsibility and accountability.

### Director Job Description

The Board of Directors is responsible for the stewardship of the Hamilton Chamber of Commerce and oversight of the management of the organization. The Board is accountable to the membership and to those individuals, organizations and stakeholders that provide funds for the operation of the Chamber. Individual directors are expected to act honestly, in good faith, and in the best interests of the Chamber at all times.

The Board of Directors, acting as a whole and speaking with one voice, is responsible for determining the vision, mission and strategic direction for the Chamber, for hiring the President and CEO, and for monitoring organizational performance.

Directors of the Chamber have the following duties and responsibilities:

- Defining the organizational brand, purpose, mission, values framework and operating principles for the Hamilton Chamber of Commerce;
- Periodically reviewing the board policy manual and strategic plan;
- Ensuring the financial affairs of the Chamber are conducted in a responsible and transparent manner with due regard to their fiduciary responsibilities and public trusteeship;
- Accounting to the membership and sponsors for the services of the Chamber and expenditures of funds;
- Regularly reviewing the Chamber's services to ensure they are consistent with the purpose of the organization, are based on best practices within the industry and are effective and relevant to the business community;
- Safeguarding the sustainability of the organization by ensuring the Board and the CEO are being fiscally responsible and actively maintaining their focus on the horizon;
- Attracting high-quality candidates to the Board, and;

- Fulfilling, with a high degree of professionalism, any and all legal requirements and obligations of a Director.

To fulfill these duties to the best of one's capacity, it is required that each Director:

- Be informed of the articles of incorporation and legislation under which the Chamber exists, and its By-laws, mission, values, and policies that pertain to the duties of Directors;
- Attend Board meetings, read the pre-meeting materials, be prepared for discussions and vote from an informed perspective;
- Attend the annual, full-day organizational strategy session;
- Exercise care, due diligence, and skill in the performance of their duties;
- Keep generally informed about the activities of the Chamber and the community in which it operates;
- Voice clearly, at the time a decision is being taken, any opposition to a decision being considered by the Board;
- Know and respect the distinction in the roles of Board (oversight) and management (day-to-day operations);
- Comply with the Chamber's Code of Conduct that governs the conduct of the Board;
- Declare any real or perceived conflicts of interest whenever they arise;
- Participate in on-going training and education as requested.

**Term:**

Directors must be, and remain throughout their service, members-in-good-standing of the Chamber and may serve for a maximum of four years (two terms), not including any service accrued subject to a vacancy appointment. This term limit will automatically be waived should the Director become appointed as Vice Chair or Chair.

**Removal from the Board:**

If a Director is absent from three consecutive Board meetings, without valid reason as approved and recorded by the Board, they shall be construed to have resigned from the Board.

Furthermore, Directors may be removed by majority vote of the Board if he/she is determined to be in contravention of the Code of Conduct.

Unless so removed, a Director of the Board shall hold the role until the earlier of:

- a) the Director's resignation;
- b) the end of term or loss at election; or
- c) the Director's death or incapacity.

### Reference Documents:

- Board Policy Manual and Consent to Act as Director
- Chamber Articles of Incorporation
- Chamber By-Laws
- Boards of Trade Act

## Officers of the Board

Officers of the Board perform their role in the service of the Board. Individual officers of the Board include the Chair, Vice Chair, Past Chair, Treasurer and President and CEO, who acts as the organization's Secretary, and any such other officers as the Board may determine in accordance with the By-laws.

### Chair Job Description

The Chair of the Chamber shall be responsible for overseeing all aspects of the Board and shall ensure all orders and resolutions of the Board are carried into effect by the Chamber Executive Team.

In addition to the general duties, responsibilities and requirements of a Director, the Chair has these duties:

- Chair, in accordance with *Robert's Rules*, the meetings of the Board, Annual General Meeting and Executive Committee;
- Lead the Board in establishing effective governance processes and practices to ensure the work of the Board is conducted efficiently and effectively;
- Consult and review board agendas in advance of Board meetings with the President and CEO;
- Call unscheduled meetings of the Board as determined appropriate;
- Ensure the Board is properly informed about the operations of the Chamber and has the necessary information and opportunity to come to a decision about matters within its purview;
- Coach and mentor board members about their roles and responsibilities;
- Be the representative of the Board to all internal and external stakeholders, unless otherwise delegated;
- Provide regular performance feedback to the CEO. The CEO's performance review for the year will be documented and provided to the CEO and maintained in the CEO's file;
- Act as the Board's primary liaison with the President and CEO;
- Serve as *ex officio* member to all committees.

**Term:**

The Chair normally serves for two years, but there is provision in the By-laws for the Nominating & Governance Committee to recommend the Chair serve a second term, which may be necessary under exceptional circumstances.

**Process:**

- a. The traditional path to Chair is via the Vice Chair role prior, but nonetheless subject to recommendation by the Nominating and Governance Committee;
- b. Rules will not prohibit someone from moving directly into the Chair role without first being Vice Chair, however the individual must already be serving on the Board;
- c. The standard term for the Chair is two years, from the AGM to AGM, which are usually held in March;
- d. In the fall of every other year, the Nominating and Governance Committee must work to confirm the next Chair. The process is as follows:
  - i. The Nominating and Governance Committee determines (which could include consultation with other Board members) that the Vice Chair has demonstrated that he/she remains the right person for the role;
  - ii. The Nominating and Governance Committee then asks the Vice Chair for their interest in assuming the Chair;
  - iii. If the Vice Chair continues to express interest in the role, they will be confirmed as the individual to take the Chair role at the next AGM;
  - iv. Should the Vice Chair indicate that they do not wish to become the Chair the following year, the Committee must then undertake a process to either extend the current Chair term, or find a new candidate for Chair;
  - v. The Nominating and Governance and Committee will ask each Board member whether they have any interest in the role of Chair;
  - vi. The list of interested individuals is shared by the Nominating and Governance Committee with the President and CEO;
  - vii. The Nominating and Governance Committee and President and CEO discuss the optimal candidates for Chair with respect to the needs of the organization for the upcoming years based on strategic fit and skills and competencies of the individual;
  - viii. Should one optimal candidate emerge, the Committee will present this candidate to the Board for ratification by the Board;
  - ix. Should more than one optimal candidate emerge based on this discussion, the Nominating and Governance Committee will present these candidates to the Board who will conduct a vote by ballot.



### Vice Chair Job Description

The Vice Chair is usually the incoming-Chair and is expected to assume the duties of the Chair during his/her absence, as well as other duties prescribed by the Board.

In addition to the general duties, responsibilities and requirements of all Directors, the Vice-Chair has these additional duties:

- Serve on the Executive Committee;
- Serve on the Nominating and Governance Committee;
- Serve, as necessary, as the Board's representative on the Policy and Advocacy Council.

#### **Term:**

Because the Vice Chair is the incoming-Chair, the Nominating and Governance Committee and President and CEO will discuss the optimal candidates from the Board for the Vice Chair role with respect to the needs of the organization for the upcoming years based on strategic fit and skills and competencies of the individual. Subject to the recommendation of the Nominating and Governance Committee, the Vice Chair will then assume the role of Chair in the following term. Prior to the expiration of the current Vice Chair's term, the Nominating and Governance Committee shall recommend a successor candidate for Vice Chair.

### Treasurer Job Description

In addition to the general duties, responsibilities and requirements of all Directors, the Treasurer has these additional duties:

- Oversee the financial affairs of the Chamber and interface with management regarding the financial integrity of the Chamber;
- Ensure that Management keeps regular financial accounts and reports to the Board, not less than quarterly, of the Chamber's financial position and issue an annual report to the members of the Chamber after the end of the fiscal year of the Chamber's financial and operating results;
- Serve on the Executive Committee.

#### **Term:**

The Treasurer serves for a two-year term. Prior to the expiration of the current Treasurer's term, the Nominating and Governance Committee shall recommend a successor candidate, either from the Board or among the membership, with demonstrated financial acumen for the Treasurer role.

## Past Chair Job Description

In addition to the general duties, responsibilities and requirements of all Directors, the Past Chair has these additional duties:

- Provide advice and direction, as may be requested or required by the Board from time to time;
- Chair the Nominating and Governance Committee, making a recommendation to the Board on the slate of directors to be approved at the next AGM and delivering a report to the membership at the AGM;
- Serve on the Executive Committee.

## Board Meetings

The Board shall meet on a regular basis to fulfill its fiduciary duties to the Chamber. Board members will be given the opportunity to review operations and discuss corporate objectives. Discussion at meetings of the Board will be confined to those issues that clearly fall within the Board's authority, according to its policies. Board deliberation at meetings will be timely, fair and efficient.

### **Policy:**

#### Meetings:

- Meetings of the Board will be held a minimum of five times a year, unless otherwise determined by the Board.
- The schedule of Board meetings shall be determined early each year, but for special meetings, notice of the time and place of each meeting of the Board shall be given by electronic transmission not less than 48 hours before the time when the meeting is held.
- The President and CEO will prepare a report to the Board that will be distributed in advance of each meeting and append relevant documents that adequately inform the Board of the operations and corporate objectives that have been advanced since the preceding Board meeting.
- The meeting materials will be received by the Board using a consent agenda and Board discussion will focus primarily on the issues the President and CEO has identified as being relevant for discussion at the Board meeting.
- Quorum at Board meetings will be a simple majority of Directors holding office. Board members participating via tele- or video conference will be considered as present for the purposes of quorum. There are no provisions for the use of proxies.
- As deemed by the Board from time to time, meetings may be conducted exclusively via tele- or video conference, or other digital means, and the rules

above will apply. In these types of meetings, as is the case with in-person meetings, decisions will be based on the policy below.

Decisions:

- Motions passed at Board meetings with quorum will constitute the official decisions of the Board.
- Decisions are based on a simple majority of the votes cast on the motion. Each member of the Board shall have one vote. The Chair has the deciding vote in the event of a tie vote.
- The Chair does not cast his/her individual vote in this process, and only does so as the deciding vote in the event of a tie vote.
- Board motions may be commenced and decided upon using electronic means such as fax, email or web-based solutions. For decisions made under these circumstances, a simple majority is needed to constitute an official decision of the Board.
- A Director is taken to consent to a resolution unless he/she dissents, which will be recorded in the Board minutes.
- Board members may abstain from voting, and shall do so in the event of a perceived or actual conflict of interest.
- While constructive disagreements between Board members are encouraged, the Board Chair will manage any serious conflict on issues or between personalities. A neutral Board member or third party should be selected if the Board Chair is a party to the conflict.

Minutes:

- Approved minutes constitute the authorized proceedings of the Board.

## COMMITTEES & TASK FORCES

### Executive Committee

The Executive Committee is accountable to the Board of Directors and serves to ensure the effective governance of the Chamber by providing timely guidance to both the Chair and the President and CEO on emerging, time-sensitive, significant issues arising between meetings of the Board of Directors. The Executive Committee consults with the Board to conduct the annual performance evaluation of the President and CEO, and provides advice to the President and CEO on matters such as audit and finance, governance, human resources, investment and long range planning. The Executive Committee will also undertake such other duties as the Board may prescribe.

The Executive Committee shall provide updates to the Board and the Board, at its next regular meeting, shall approve any actions of the Executive Committee. The Chair of the Chamber shall chair the Executive Committee.

The Executive Committee is comprised of:

- Chamber Officers:
  - Chair
  - Vice Chair
  - Past Chair
  - Treasurer
  - President & CEO
- Two additional Directors-at-Large chosen by the Nomination and Governance Committee to represent the Board and ratified at the AGM.

The Executive Committee will meet as required by the Chair or the President & CEO.

### Nominating and Governance Committee

The Nominating and Governance Committee meets in the months before each AGM to provide the Board and membership:

- With the nomination of Directors to serve in the office of Chair, Vice Chair and Treasurer;
- With the annual nomination of Directors to serve on the Executive Committee;
- With recommendations of members, in the event of a vacancy on the Board, who are suitable for and can serve as Director;
- With leadership in undertaking responsibilities related to the election of Directors among the members;
- With notice of the bi-annual appointment of the Policy and Advocacy Council Chair.

The Nominating and Governance Committee shall undertake such other duties as the Board may prescribe in its terms of reference.

The Nominating & Governance Committee shall at a minimum include the Vice Chair, the Past Chair and the Chief Executive Officer and shall further consist of a majority of Members who are not Directors. The Past Chair shall chair the Nominating and Governance Committee.

**PENDING APPROVAL AT MARCH 2020 AGM (will supersede above paragraph):** The Nominating Committee shall at a minimum include the Chair, Vice Chair, the Past Chair and the Chief Executive Officer (non-voting). Additional directors are welcome to participate in the nomination process, provided that there be no more than five voting members on the committee. The Past Chair shall chair the Nominating Committee. (In the event of a tie vote, the CEO shall cast the deciding vote.)

#### Process:

- The Nominating Committee shall, with the input of all Directors, maintain an updated matrix of desired skills that are important to a well-rounded Chamber Board. The current Board of Directors Skills Matrix, populated with the skills that current Board members bring to the organization, is attached as Appendix \_\_. The Board of Directors Skills Matrix will evolve with the needs of the organization and should help guide the Nominating Committee each year as to the gaps that may exist and the types of candidates that should be sought.
- Board members and staff are encouraged at all times to recruit high-quality candidates. An up-to-date list of potential candidates should be maintained by the organization.
- The Nominating Committee shall also maintain a list of current Board members and the expiration of each's two-year term. For those Directors whose first two-year term is expiring, the Nominating Committee shall assess the Director's performance before recommending a second 2-year term.
- Once determining the number of vacant Director positions the Nominating Committee must fill at the upcoming AGM, the Nominating Committee shall widely advertise a call for interest among the membership in serving on the Board. The call for interest should highlight the Director's job description, request resumes and provide a sufficient amount of time to generate ample responses.
- After screening the applications, the Nominating Committee shall conduct at least one round of candidate interviews. In preparation for the interviews, the Nominating Committee should consider:

- Developing a standard set of questions (these should include questions around: skills to meet job description; values and attitude; time commitment; potential conflicts of interest based on career or other volunteer activities; discussion of any legal and financial commitments, etc.);
- Starting the interview with an overview of the selection process;
- Providing an overview of the organization and its mission/objectives;
- Reviewing the board role description, and;
- Creating a form to document responses consistently across all applicants.
- The Past Chair shall personally inform the successful candidates and ensure that the unsuccessful candidates are updated and thanked for their interest.
- Before the new Directors' first Board meeting, the Chair (or designate) and the President and CEO shall conduct an orientation, providing the relevant documents and necessary information new Directors will need to be set up for success.

## Policy and Advocacy Council (PAC)

The Policy & Advocacy Council (PAC) is a standing committee of the Board. Its purpose is to ensure organizational alignment, set the advocacy priorities and strategic direction of the organization, optimize member value and engagement, facilitate dialogue and information sharing, and support the Board and staff in their efforts to ensure that the Chamber remains a relevant, influential and impactful anchor institution in our community.

The Board has approved Terms of Reference for PAC ([Appendix \\_\\_\\_](#)), which it shall regularly review and may at any time modify.

The Terms of Reference state that PAC shall:

- On behalf of the Board, prioritize and set strategic policy direction and support the Chamber's policy, government relations and communications staff in their efforts to influence government, public institutions and the wider community on behalf of the Chamber's membership. This work includes, but is not limited to, monitoring, anticipating, and responding to governmental and political matters at all levels wherever and whenever they affect Hamilton business.
- Provide oversight of the policy- and advocacy-related activities of the Chamber's task forces and aid Chamber staff in optimizing member engagement therein.
- Ensure that the Chamber's Policy & Advocacy activities and membership engagement strategies are congruent with its current mission, vision and strategic plan.

- Offer direct policy and advocacy leadership and professional expertise in support of the Chamber’s staff and membership. The PAC, however, is not expected to formally advocate on behalf of the Chamber in its policy and advocacy activities.

### **Composition**

- The ideal size of the PAC is nine to eleven members. Membership on the PAC shall be determined by the Board’s Nomination and Governance Committee.
- The Chamber Nominating and Governance Committee shall consult the President and CEO in the appointment of the Chair of PAC, who shall be a member-in-good-standing (and may be a member of the Board).
- The Vice-Chair of the Board (voting), the President & CEO (non-voting) and the Policy & Research Analyst (non-voting) shall be standing members of the PAC.
- The PAC chooses its Vice Chair by majority vote.
- The balance of the PAC will comprise Chamber members-in-good-standing with significant experience or knowledge of policy development, advocacy and/or government relations and public affairs, especially pertaining to economic development and the business community. The Chamber will invite applications to the PAC and members may come from any sector or background, although the mission and strategic vision of the Chamber must always be paramount.
- Any Chamber Board member can attend any PAC meeting.
- Task force chairs may attend meetings of the PAC when they have applicable items on the PAC’s agenda for discussion, or at the invitation of the PAC Chair or Chamber staff.
- Members shall serve for a term of two years and are eligible for reappointment for one subsequent term of two years. Each term begins/ends at each Chamber Annual Meeting. Member terms should be staggered.

### **Other Committees & Task Forces**

The Board of Directors may strike other committees and task forces as required. A “committee” is usually an indefinite delegation of some element of Board authority to a subset of Board members. A “task force” is usually a time-bound, issue-specific initiative comprising Board members and/or members with subject matter knowledge, struck to provide advice to the Board.

The striking of a task force is usually preferred over the creation of a committee and has been successfully employed to provide recommendations on the Chamber’s committee structure, the creation of the Policy and Advocacy Council and the creation/adoption of this Board Policy Manual.

When the President and CEO position is vacated, the Board shall strike a Hiring Committee, with adequate representation from the officers of the Chamber, to recommend a candidate to the Board to fill the position.



# CODE OF CONDUCT

## **Objective:**

The Code of Conduct is a statement of the essential principles that govern the conduct of the Board. Board members will at all times conduct themselves in a manner that serves the best interests of the Chamber and brings credibility and goodwill to the Chamber.

## **Policy:**

- Board members shall abide by, respect and support the Chamber's by-laws, policies, Code of Conduct, and decisions of the Board and membership;
- Board members shall exercise their responsibilities at all times with due diligence, care and skill in a reasonable and prudent manner;
- At all times they are performing their duties and representing the Chamber as a Director, Board members shall conduct themselves in accordance with this Code of Conduct, within the confines set out in the Director job description and in accordance with the promises made in signing the Consent to Act as Director;
- Board members shall be respectful during all interactions with fellow Directors, Chamber members and Chamber staff;
- Board members are responsible for holding the Board and fellow Directors to account, but shall bring any concerns with Chamber staff to the President and CEO for possible action. Board members must always be mindful of the difference between "oversight", which must be conducted by Directors with rigour, and operations, which is the explicitly-delegated domain of the Chamber executive;
- Board members shall work diligently in promoting an environment that is free of discrimination and harassment of any kind to any Chamber stakeholder;
- Board members shall keep confidential all information about clients, personnel and any other matters specifically determined by Board motion to be matters of confidence. The duty of confidentiality continues indefinitely after a Director has left the Board;
- Board members shall not communicate Board deliberations or decisions to anyone who is not a Board member, including the public-at-large. The Board shall speak with one voice and any questions from the media or membership regarding Board business shall be referred to the Board Chair or President and CEO;
- Board members will not speak against Board decisions outside of confidential Board meetings;

- Board members shall be an advocate for the organization and its mission wherever and whenever the opportunity arises in their own personal and professional networks;
- Board members shall abide by the conflict of interest policy below and immediately declare any real, potential or perceived conflicts of interest;
- Board members shall be mindful that actions outside of their capacity as a Director may undermine the best interests of the Chamber and diminish its credibility and goodwill, and can in themselves be determined by the Board to be a violation of this Code of Conduct.

**Reference Documents:**

- Director Job Description
- Consent to Act as a Director
- Board Conflict of Interest Policy

## Conflict of Interest

**Definition:**

Board members and Officers are considered to be in a “conflict of interest” whenever they themselves, members of their family, their business/organization or their business partners may personally benefit either directly or indirectly, financially or otherwise, from a business decision of the Board. A conflict of interest may be real or perceived – the same duty to disclose applies to each, and when in doubt, a Director should lean on the side of disclosure.

Examples of business decisions include: awarding of contracts for goods and services, employment by the Chamber, or the provision of services by the Chamber to a Board member at preferred rates not otherwise available as a member-at-large of the Chamber.

For greater clarity, this conflict of interest policy recognizes that Board members and the membership of the Chamber-at-large may participate in the Chamber in policy-development and advocacy roles and can reasonably be expected to do so. Chamber policy/advocacy actions or efforts in this regard are not considered as conflict of interest situations under this policy.

**Objective:**

Members of the Board of Directors shall act at all times in the best interest of the Chamber, Chamber membership, and the business community. This means performing their duties in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board.

**Policy:**

- Board members are required to actively avoid conflict of interest situations;
- Board members must openly disclose a conflict of interest as soon as the issue arises and before the Board or its committees deal with the matter;
- If the Board member is not certain if he/she is in a conflict of interest position, the matter should be brought before the Chair for advice and guidance;
- Board members who are in a conflict of interest regarding agenda items at meetings will be required to be absent during the discussion and the vote on those items;
- If there is a question or doubt about the existence of a conflict of interest, the Board will determine by vote if a conflict exists. The person potentially in conflict will be absent from the discussion and the vote;
- It is the responsibility of other Board members who are aware of a conflict of interest on the part of a fellow Board member to raise the issue for clarification, first with the Board member, and if unresolved, with the Board Chair;
- It is the duty of the Board Chair to manage conflicts directly or use any other measures as appropriate;
- The disclosure and decision as to whether a conflict exists, along with the member's abstention from the discussion and vote, will be recorded in the minutes of the meeting;
- Directors may not accept gifts or hospitality (other than of nominal value), personal loans or other favours or otherwise put themselves in a position of being obligated to, or appearing to be obligated to, any individual or organization that might benefit from special consideration or seek preferential treatment from the Chamber;
- Directors who seek to serve the Chamber in any employment capacity for which they will receive compensation will be asked to resign their position as Director.

## Privacy

**Objective:**

The Board is responsible for ensuring the establishment of policies and procedures in compliance with federal and provincial privacy legislation. This policy applies to the collection, use, disclosure and retention of personal information of employees, clients and Directors of the Chamber.

**Policy:**

- The Chamber will make information about its policies and practices regarding the management of personal information readily available to its employees, clients and Directors.
- The Chamber will designate an individual who is responsible for compliance with its privacy policy, called the Privacy Officer (recommended to be one of the Management Team).
- The Chamber will identify the purpose for which personal information is collected at the time or before the information is collected.
- Knowledge and consent of the individual is required for the collection, use or disclosure of personal information.
- Collection will be limited to personal information that is necessary for the purposes identified by the Chamber.
- Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with consent or as required by law.
- Personal information must be accurate, complete and up-to-date as necessary for the purpose for which it is used.
- Security safeguards appropriate to the sensitivity of the information shall protect personal information.
- Upon request, an individual shall be informed of the existence, use and disclosure of his/her personal information and shall be given access to that information.
- An individual may challenge compliance by making a complaint to the Privacy Officer.

## Political Contributions

**Objective:**

The Chamber ultimately serves the collective good and must be seen to operate with integrity and in a fair, democratic and non-partisan manner. Except for narrow purposes outlined below, funds or assets of the Chamber may not be contributed to any political party, individual who holds political office or candidate seeking election at the municipal, provincial or federal level. This policy does not prevent the Chamber from supporting or directing advocacy campaigns on issues of importance to the Hamilton economy, even if such effort has the effect of supporting one candidate or party over another.

**Policy:**

- The Chamber will comply with all relevant legislation regarding political contributions.

- The Chamber will not use corporate funds to donate to political parties, representatives of political parties or candidates seeking election at any level of government, except to attend events that provide access to key decision-makers and/or furthers the objectives of the Chamber.
- Board members, employees and volunteers of the Chamber may not be reimbursed for political contributions, other than for event attendance.
- The Chamber may not second employees to political parties or allow employees to provide goods and services to political campaigns on Chamber time. This does not prevent employees from volunteering for campaigns or making other contributions to political candidates, provided, however, that such involvement does not undermine the Chamber's objective of being steadfastly non-partisan.
- The Chamber may not make indirect contributions to political parties through suppliers, clients or agents.
- Board members and volunteers of the Chamber have the right to make political contributions from personal funds at their own expense.

## PRESIDENT & CEO

### **Objective:**

The Board contracts with the President and CEO for the management and administration of the Chamber. The President and CEO is responsible, within parameters established by the Board, for determining the methods by which the Board's directions and policies will be executed and the desired outcomes achieved. The President and CEO shall exercise his/her powers, and fulfil his/her responsibilities in good faith and in the best interests of the Chamber and shall exercise the aforesaid powers and responsibilities with the diligence, care and skill of a reasonably prudent person.

### **Policy:**

- The President and CEO is employed by the Board of Directors and is therefore responsible to the Board as a whole rather than to individual members;
- The President and CEO is expected to work with the Board to implement policies (i.e. human resources, equal opportunity, discrimination, harassment, privacy, etc.) as determined by the Board and consistent with the requirements of any legislation or regulations;
- As consistent with the Chamber financial policies, the President and CEO has the authority to enter into and/or approve contracts, obligations, encumbrances, arrangements and expenditures, as consistent with the normal course of the Chamber's business operations and within the authorized limits established in the financial and control policies contained in this manual, and within the approved annual budget and operating plan, including:
  - Employment offers and consulting contracts;
  - Program initiatives and/or associated funding arrangements;
  - Operating expenses;
  - Capital expenditures;
  - Banking services and insurance arrangements.
- The President and CEO has the authority to sign all financial transactions and instruments according to his/her spending limits established in the financial and control policies in this manual.
- The President and CEO is expected to work with the Chamber staff and the Board to formulate annual and mid- to long-term strategic plans, provide regular updates throughout the year on progress achieved relative to those plans, and provide a final review at the end of each fiscal year.
- Specific responsibilities are described in the policies related to responsibilities of the Board, and in the job description of the President and CEO.

## President and CEO Job Description

The Chief Executive Officer shall be the President of the Chamber, who shall preside at all Board meetings, serve as Secretary and be an officer and Director *ex officio* without a vote and shall perform such other duties as may from time to time be imposed upon the Chief Executive Officer by the Board.

The Board has empowered the CEO to provide overall leadership for all aspects of the organization's operations to achieve the mission and strategic goals of the Chamber. The CEO:

- Directly supervises the Executive Team;
- Serves as the principal spokesperson for the Chamber;
- Provides leadership on all elements of the organization including:
  - Human resources management, including hiring and terminating staff;
  - Strategic planning;
  - Member and sponsor engagement;
  - Building public profile for the Chamber locally, regionally, provincially and federally;
  - Financial management;
- Establishes an organizational culture that supports success;
- Ensures that organizational policies are adhered to in all aspects of the operations;
- Is a signing officer as authorized in the financial policies;
- Supports the Board and its committees.

### **Desired Outcomes**

- Each year, the President and CEO will work with the staff and Board to set annual and long-term strategic plans.

### **Measures of Performance Success**

- Annually, the Executive Committee works with the Board to measure the President and CEO's performance against the goals of the strategic/business plan. CEO performance is synonymous with organizational performance.

## President and CEO Performance Review

### **Objective:**

The President and CEO is the sole official link between the Board of Directors and the Chamber it governs. The responsibilities of the President and CEO lie in the exercise of delegated authority and compliance with parameters established by Board policy and directives.

The performance of the President and CEO will be reviewed annually with respect to the following components:

- President and CEO's job description;
- Multi-year strategic plan;
- Annual budget and business plan;
- A "scorecard" or similar document that incorporates elements of the annual business plan and/or performance/development objectives upon which it is agreed, through the Executive Committee and in negotiation with the President and CEO, that the President and CEO will be evaluated at year end.

**Policy:**

Performance Review:

- The President and CEO will draft annual performance and development objectives at the beginning of each calendar year for discussion and approval by the Board through the Executive Committee.
- The President and CEO will, at the end of the calendar year, report on the overall corporate performance against business plan and budget, and progress on meeting his/her performance and development objectives where these have been agreed to by the Board. The Executive Committee will obtain input from Board members, and prepare a written evaluation of the President and CEO's performance and the Board may, at its discretion, award an annual bonus to the President and CEO.
- The Executive Committee will meet with the President and CEO to discuss the evaluation. The Chair or President and CEO can request other members of the Board participate in the meeting.
- The Chair will provide the President and CEO with more informal feedback on his/her performance on a regular basis as issues may arise, and at least once midway between appraisals.

Compensation:

- The Executive Committee will develop and recommend the Chamber's Executive compensation philosophy and guidelines.
- The Executive Committee will annually review and recommend the President and CEO's compensation, based on the evaluation of his/her performance.



## FINANCIAL AND CONTROL POLICIES

### **Objective:**

The purpose of financial management in the operation of all Chamber activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including members, sponsors, funders, employees and the community. In order to accomplish this, the Chamber commits to providing accurate and complete financial data for internal and external use by the President and CEO and the Board of Directors.

### **Policy:**

- The Board of Directors is ultimately responsible for the financial management of the Chamber. The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.
- The President and CEO is responsible for the day-to-day financial management of the organization and the delegation thereof. The Board authorizes the President and CEO to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- The President and CEO is authorized to manage and delegate the management of expenses within the parameters of the overall approved budget, reporting to the Executive Committee and/or Board on variances and the reason for these variances.
- The President and CEO is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Board of Directors must authorize any contracts outside of these parameters and all contracts with a financial expenditure greater than \$15,000.
- All cheques require two signatures among the organization's three signing authorities: President and CEO, Chief Operating Officer and the Accounting Manager. Cheques or wire transfers for amounts greater than \$25,000 shall require the authorization of the Treasurer or Board Chair.
- The Board of Directors must approve any use of the board designated cash reserve fund.

### **Responsibilities:**

The President & CEO shall:

- Account for board designated funds, if any, separately from general operating funds, and clearly define the restrictions applicable to these funds.

- Report the financial results of Chamber operations at regularly-scheduled Executive Committee and Board meetings.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than \$500 as capital assets in accounting records. Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of \$5,000 per unit. Preference will be given to members of the Chamber and selection will be based on cost, service, and other elements of the contract. The Chamber may award the bid to any provider and is not required to accept the lowest cost proposal.

The Board of Directors shall:

- Review financial reports at each board meeting.
- Provide adequate training to Board members to enable each member to fulfill his or her financial oversight role.

#### **Financial Transactions with Insiders**

- No advances of funds to employees, officers, or directors are authorized. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.
- In no case shall the Chamber borrow funds from any employee, officer, or director of the organization without specific authorization from the Board of Directors.

#### **Budget**

To ensure that planned activities minimize the risk of financial jeopardy and are consistent with Board-approved priorities, long-range organization goals, and specific five-year objectives, the President and CEO shall:

- Submit an annual budget to the Board in time for reasonable approval prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

## **Asset Protection**

To ensure that the assets of the Chamber are adequately protected and maintained, the President and CEO shall:

- Insure, in consultation with suitable professional resources as to proper levels, against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

## **BOARD LIABILITY**

The Board will ensure that the President and CEO maintains insurance policies that minimize and manage the organization's exposure to liability, particularly indemnification and insurance policies to mitigate risk to Directors.

### **Policy:**

- The responsibility of the Board is to direct the affairs of the Chamber within current legislation.
- Every Director and Officer of the Chamber (corporation), in exercising his/her powers and discharging his/her duties shall:
  - Act honestly and in good faith with a view to the best interests of the Chamber;
  - Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Directors will be informed of their duties and the organization's insurance coverage during the Board orientation process.
- The Board will ensure that the President and CEO has procured proper and sufficient Directors' and Officers' liability insurance and that the policy is in full effect at all times.
- The organization will indemnify the Board members for liabilities, including solicitor/client costs, that they may incur in carrying out their duties in good faith

with a view to the best interests of the Chamber and while exercising the care, diligence and skill of a reasonably prudent person.

- A copy of the organization's current D&O policy is attached as Appendix \_\_\_.

### **Statutory Liability**

Regardless of the D&O policies in place for the organization, Directors must understand that they are statutorily liable in some specific circumstances:

- Under limited circumstances specified by the Employment Standards Act, directors are jointly and severally liable for up to six (6) months wages payable to employees of the Chamber.
- In addition, where the Hamilton Chamber of Commerce has failed to make deductions and remittances for employee wages as required by the Income Tax Act (Canada) and the GST Remittances through the Excise Tax Act, directors may be personally liable to pay the amount required, including interest and penalties.

Advice from the Chamber's insurance broker regarding current coverage for such liabilities is as follows:

- As with any policy, the coverage would depend on the specific claim and if it triggers the insurance agreement. The Underwriter confirmed there is no coverage under the D&O policy for employee's salary and wages, but the policy, if triggered, could cover Directors' defense costs in the event of a claim.
- For the requirements for the Income Tax Act, the policy could pick up the statutory liabilities depending on the specific claim.
- Directors would be responsible for these payments under the Employment Standard Acts and the Excise Tax Act ***if they failed to do their due diligence.***

### **HISTORY OF REVISION DATES**

- 1. Manual approved September 17, 2019**
- 2. First review: 2020**
- 3. 2<sup>nd</sup> review: 2022**