PRIMARY CARE NETWORK

BOARD OF DIRECTORS GOVERNANCE HANDBOOK

Model 2

OUR VISION

OUR MISSION

OUR GUIDING PRINCIPLES

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# Introduction

The () Primary Care Network (PCN) is committed to adhering to the highest standards in its corporate governance practices. () PCN’s Board of Directors is responsible for providing the strategic leadership, accountability and oversight necessary to establish and keep current the PCN’s vision, mission and corporate goals and objectives.

This governance handbook provides directors with an overview of the PCN and the policies and procedures by which the PCN is governed.

# () Primary Care Network Overview

The () PCN was established in MM Year and encompasses the following communities/ geographic area. The PCN has approximately # members and provides services to member physicians and their patients in accordance with its Alberta Health (AH) Grant Funding Agreement and the approved Business Plan.

The () PCN is a Joint Venture between the () Not for Profit Corporation and Alberta Health Services which provides for the formation of a PCN Not for Profit Corporation which is responsible for the day to day operations of the PCN. This handbook supports this joint board in its work.

# Business Plan 20## - 20##

The goals and priorities of the Business Plan are:

*List the goal and the associated program*

# () Primary Care Network Guiding Principles

The () PCN has identified the following Guiding Principles and we refer to these key foundational elements when making decisions in our day to day interactions with our members, their staff, our Joint Venture Partners our PCN staff, our community and other stakeholders. These Guiding Principles reflect our culture as a Board and as an organization and are the cornerstone to achieving success as a PCN in meeting our goals and business plan objectives.

*List Guiding Principles*

# Board Structure and Roles

## Composition

The () PCN’s Board of Directors is composed of # members who are appointed in equal numbers by their respective organization (Physician NFP and AHS) to serve for a # year term. In addition to Directors appointed from the () Physician Not for Profit Corporation and Alberta Health Services (AHS), the Board nominates # of community based Director(s) to serve on an annual basis.

## The Board’s Role and Responsibilities

The board is legally responsible for the operations of the () PCN. As a whole, the Board represents the collective interests of the JV Partners, PCN patients and community stakeholders.

The Board of Directors provides the strategic leadership necessary to establish and review the () PCN’s mission, vision, business plan goals and objectives, along with oversight of the operations through the Administrative Lead and in consultation with the Medical Director.

## Standards of Conduct

Under the *Alberta Business Corporations Act*, each board member must meet certain standards of conduct. These standards are typically described as duty of care, duty of loyalty and duty of obedience.

**Duty of Care**As a board member you must exercise “reasonable care” when making a decision for the organization. In this case, “reasonable” is what a prudent person in a similar situation might do.

**Duty of Loyalty**As a board member you must never use information gained through your position for personal gain. This means each member must always act in the best interests of the PCN.

**Duty of Obedience**As a board member you must be faithful to the organization’s mission. This means you cannot act in a way that is inconsistent with the PCN’s goals.

## Board Responsibilities

In addition to standards of conduct, as a governing body, the board has a responsibility to support the Administrative Lead, Medical Director and staff, and ensure operations run smoothly and in accordance with the law.

Following, are the key responsibilities you have as a Board collectively and as an individual Director:

1. Establish mission and purpose.
2. Recruit and select the Administrative Lead and define the governance approach between the Lead and the Board. (see Governance Policy, Appendix C, #4)
3. Support and evaluate the Administrative Lead.
4. Recruit and select the Medical Director.
5. Support and evaluate the Medical Director.
6. Establish both standing and ad hoc committees.
7. Set policies and ensure effective planning.
8. Monitor and strengthen programs and services.
9. Set the culture of the PCN through the development of core values and guiding principles.
10. Ensure adequate financial resources.
11. Protect assets and provide proper financial oversight.
12. Identify principle risks to the PCN and develop and implement appropriate systems to mitigate those risks.
13. Build a competent board, through education and evaluation.
14. Ensure legal and ethical integrity.
15. Enhance the PCN’s public standing.
16. Be prepared for, attend and fully participate in all Board meetings.

## Officers of the Company

Officers of the Company are elected or appointed by the Directors on an annual basis at the first meeting following the AGM. The () PCN has the following Officers: Chair, Vice-Chair; Secretary; and Treasurer. The Board as a whole may choose to appoint other Directors to these positions, to share responsibility and as a means to support succession planning.

## Chair

The chair presides over all meetings of the Board and AGM and is a standing member of any committee. The Chair works cooperatively with the Administrative Lead to provide leadership to the Board. The Chair serves as a representative of the PCN as a member of the Provincial PCN Leads Group, and any Zone PCN Leads Group. The Chair signs all documents on behalf of the company and performs other powers and duties from time to time as prescribed by the Board.

## Vice-Chair

During the absence of or the inability to act as the Chair, the duties and powers of the Chair may be exercised by the Vice Chair. If the Vice-Chair takes the place of the Chair, the absence of or inability to act as the Chair will be recorded in the minutes of the meeting. The Vice-Chair will also perform other duties from time to time as prescribed by the Board.

## Secretary

The Administrative Lead shall be appointed by the Board to the position of Secretary. The Secretary is responsible for ensuring the minutes of all meetings are captured correctly, including the recording of all votes on any motion. The Secretary is responsible for ensuring that all minutes are distributed in a timely manner. They are responsible for ensuring that the minute book and corporate records are properly maintained, the membership list is up to date and that annual corporate filings are completed on an annual basis.

The Secretary gives notice of all meetings of the members and the Board, including distribution of the Agenda and associated materials.

Minutes of all Board, General and other Special Meetings are maintained (insert location, PCN, PCN Corporate Counsel).

## Treasurer

The Treasurer is responsible for the recording and reporting of all financial transactions of the PCN, including the development of the annual and semi-annual budget, regular reporting to the board on the financial standing of the PCN and the membership at the AGM. They are responsible for the development and implementation of policies and procedures to ensure the information and record keeping systems of the PCN protect its financial assets.

The Treasurer is responsible for coordinating the annual audit of the PCN, to receive and review the audit firm’s management letter and present the audited statements to the members at the AGM. They act as the Chair of the Finance Committee. The Treasurer may delegate their duties to other officers or employees to the extent and in such a manner as the Treasurer may determine.

# Director Succession Planning and Appointment Process

Boards have a duty to address major business risks that the PCN may be exposed to, including the inevitable loss of directors from the Board. The Nominations/Governance Committee, develops, regularly reviews and revises the Board succession plans and assesses and makes recommendations regarding nominees for appointment to the Board.

## Succession Planning

The most critical step in Board succession planning is identifying the desirable Board composition and skill mix. A skills inventory table is kept up to date to assist with these discussions.

Basic qualifications for a director are as follows:

1. Is an individual who is recognized for their knowledge of the community and the PCN
2. Possesses strong leadership and communication skills
3. Has insight to help shape the direction of the PCN and its policies and programs; and
4. Brings visibility to and enhances the profile of the PCN

## Director Appointment Process

Each Joint Venture partner shall appoint their representatives as vacancies occur. Such vacancies may be filled at any time, other than at the Annual General Meeting (AGM). Independent Community Based Directors are nominated by the Nominations/Governance Committee for election at each AGM.

## Terms of Office

A director is appointed by their respective organization for a term of # years. Directors may serve two consecutive terms and may only seek reappointment after a single term has elapsed. Independent Community Based Directors serve a one (1) year term.

# Meetings

## Board Meetings

The Board has scheduled in-person meetings # times per year, including an extended meeting (Board retreat) where strategy and the PCN priorities are the principal agenda item. Special meetings may be convened as required, and may take place by teleconference or electronically.

## Annual General Meeting

The () PCN holds its Annual General Meeting (AGM) in MM of each year. The business transacted at the AGM includes:

1. Approval of the minutes of the previous AGM;
2. Presentation of the Audited Financial Statements for approval by the members;
3. Appointment of Community Based Director(s);
4. Appointment and remuneration of the PCN’s Auditors;
5. Election of Independent Director(s);
6. Appointment of the () PCN’s legal counsel;
7. The remuneration of the Board for it’s work; and
8. Any other business that may be properly brought before the meeting.

It is important to note that only the agenda circulated with the Notice of Meeting will be addressed at the AGM and that Quorum is All members entitled to vote.

## Board Retreat

The Board retreat provides a regular forum for the Board and any invited guests to engage in and discuss the strategic direction of the PCN. The MM Board meeting is lengthened to accommodate the retreat.

## Session of Independent Board Members (Meeting without Management)

At each meeting of the Board, the directors meet without management present. These sessions are typically held for 30 minutes at the end of the meeting and Directors are encouraged to raise and discuss any issues.

## Work Plan

The development of annual Board work plans is an important component of effective governance to focus the work of the Bo

ard, to clearly articulate the Board’s expectations of it own contributions to the achievement of the PCN’s strategic goals and to establish benchmarks against which the Board can evaluate its performance.

The Board’s work plan is established in MM for the following year and is based on the Board’s stewardship, monitoring and fiduciary responsibilities. The Administrative Lead supports the Nominations/Governance Committee in the drafting of the work plan for approval by the Board.

Committee work plans are also developed by each committee and are subsets of the Board work plan related to each committee’s responsibilities. They are established based on a similar meeting cycle as the Board’s work plan.

## Agenda Development

An Agenda that is aligned with the Board’s roles, responsibilities and work plan is developed for each Board meeting. The Administrative Lead and the Chair are responsible for developing meeting agendas and ensuring that they are based on the annual work plan, a careful review of action items resulting from previous meetings and emerging policy items. The Administrative Lead and the Chair share the Agenda five (5) days in advance of the meeting to request comments and feedback.

# Board Committees

Board committees are established to work on specific activities that contribute to the fulfillment of the Board’s and PCN’s mandate and to allow the full Board to focus on more strategic matters.

The () PCN has the following Standing Committees:

1. The Finance and Audit Committee (FAC)
2. The Nominations/Governance Committee, and
3. The Human Resources Committee (HRC)

## Committee Roles and Responsibilities

The role of each Board committee is to oversee specific activities of the organization (FAC, HRC) as well as activities of the Board, (governance practices and recruiting new Board members). Each Board committee has a set of responsibilities that ensures that the full Board can stay focused on matter of strategic importance. Board committee updates are provided to the full Board at each of its meetings, and committee recommendations are brought forward as required. The full Board then undertakes its own deliberation process prior to determining its approval of specific activities.

## Committee Chairs and Members

The Nominations/Governance Committee recommends membership in all Committees for approval by the full Board. Once they have confirmation of the individual’s willingness and ability to act as a committee Chair, they recommend the appointment of the chairs to the Board.

The Board Chair sits on all committees as an ex officio voting member and the Secretary attends all meetings to record the minutes.

## Committee Terms of Reference

### **Finance and Audit Committee**

The FAC assists the Board with making decisions and engaging in oversight that ensures the organizations financial health.

#### Roles and Responsibilities

1. Review and recommend approval of the broad financial policies of the PCN, including the yearly operational plans and annual and semi-annual budget.
2. Review of financial statements throughout the fiscal year, including the completion of a variance analysis in order to formulate recommendation on the financial statements, the auditor’s report and the appointment of the forthcoming auditor and the related fees.

#### Membership

The FAC is composed of not less than 2 Directors, one from each representative organization and may include external subject matter volunteers so long as they are not affiliated with the auditor.

#### Frequency of Meetings

The FAC meets four (4) times per year.

#### Committee Recommendations

Recommendations from the FAC will be made in writing and signed by the members of the committee.

#### Chair

The Treasurer shall be the Chair of the FAC.

### **Nominations/Governance Committee**

The Nominations/Governance Committee is responsible for the calling for the nomination of all Directors. They are responsible for recommending the members of committees and the chair of any committee. They assist the Board in improving its functioning, structure, composition and infrastructure.

#### Roles and Responsibilities

1. Ensure that a call for nomination of Independent Directors is made in accordance with the Articles of the Corporation
2. Review all nominations to ensure they are complete and prepare information for inclusion in the AGM meeting materials
3. Recommend the membership and chair of all committees
4. Direct and oversee the assessment of the Board and Board committees on an annual basis
5. Oversee Board succession planning
6. Provide advice regarding the Board members’ orientation and education, including review of the governance handbook
7. Review, assess and draft policies and decisions regarding governance performance for Board deliberation and action (eg. Board Remuneration Policy)
8. Develop annual work plans for approval by the Board
9. Perform other tasks related to governance performance as assigned by the Board. (eg. investigating and recommending board education opportunities)

#### Membership

The Nominations/Governance Committee is composed of not less than three members, (one from each respective organization) and may include external subject matter volunteers.

#### Frequency of Meetings

The Nominations/Governance Committee meets at lease twice per year, generally before the AGM and to develop the Board Work Plan and recommend committee membership. Other meetings may be required on an ad hoc basis.

#### Committee Recommendations

Recommendations from the Nominations/Governance Committee will be made in writing and signed by the members of the committee.

#### Chair

The Chair is appointed by Board.

### **Human Resources Committee**

The HR Committee assists the Board in discharging its oversight responsibilities relating to compensation policies, executive compensation, senior staff succession and other key HR activities.

#### Roles and Responsibilities

1. Oversee the PCN’s compensation and benefit policies
2. Review and recommend the Administrative Lead’s annual performance objectives
3. Review the Administrative Lead’s performance and determine their compensation
4. Review the succession plan for the Administrative Lead, Medical Director and senior staff
5. Review and recommend the Medical Director’s annual performance objectives
6. Review the Medical Director’s performance and determine their compensation
7. Oversee the principles and policies of the recruitment and retention strategy for employees
8. Provide oversight related to occupational health and safety and other key human resource activities

#### Membership

The HR Committee is composed of three members (one from each respective organization) with one of the members being a FAC member and may include external subject matter volunteers.

#### Frequency of Meetings

The HR Committee meets at least twice per year, other meetings may be required on an ad hoc basis.

#### Committee Recommendations

Recommendations from the HR Committee will be made in writing and signed by the members of the committee.

#### Chair

The Chair is appointed by Board.

# Board Processes and Policies

## Board Evaluation

Assessing Board effectiveness is an important governance responsibility. Every year, the Board completes a self-evaluation in accordance with current Provincial PCN Governance Policy, rating the Board overall and, every alternating year, rating the committees, through an anonymous questionnaire based on attributes of a high-performing Board. The compiled results of the Board self-evaluation are used as a basis for discussion and to help the Board determine changes/improvements in its governance processes and policies.

The Board also reviews the effectiveness of its meetings at the conclusion of each meeting. A two-minute evaluation is completed to solicit information on:

1. The quality of meeting materials and presentations; and
2. The relevance of content and length and format of discussion.

## Board Education

Orientation of new directors and Board development are important aspects of governance.

**Orientation of new directors:** as new directors are elected to the Board, they are invited to participate in an orientation session with the Administrative Lead or his or her delegate. The purpose of the meeting is to get to know one another and to review the PCN’s operations and the Board’s functioning.

**Ad hoc requests for education:** Requests from Board Directors for education will be considered on a case-by-case basis by the Board Chair in consultation with the Administrative Lead.

## Board Policies

An effective Board develops the policies, processes and procedures necessary to carry out its responsibilities. This sets the foundation for good corporate governance and sound risk management.

Four policies and one code apply to () PCN’s Board of Directors:

1. Conflict of Interest Policy;
2. Travel Expense Policy;
3. Remuneration Policy;
4. Governance Policy; and
5. Code of Conduct.

These policies are included in Appendix X, and the code of conduct is provided to new directors during their orientation to the Board and all members are asked to review and sign it on an annual basis. All directors are required to review and acknowledge their review of these policies on an annual basis.

## Declaration of Conflicts

In order to facilitate the disclosure of conflicts, the () PCN Board has a practice of declaring conflicts at the beginning of meetings. A standing item is added to the beginning of Board and committee meeting agendas allowing Board members the opportunity to declare their conflicts prior to any discussion. If a conflict does arise, the Board member steps out of the meeting room or leaves a teleconference during the discussion of the agenda item in question and subsequently rejoins the meeting following the discussion.

## Indemnities to Directors and Directors and Officers (D&O) Insurance

Directors face a range of legal exposures in respect of their association with, and fiduciary duty to, the PCN. Directors reduce their risk by performing their duties competently and honestly, but they may be inadvertently negligent in some cases. () PCN’s Articles (Appendix A) provides details regarding indemnities to directors and officers.

It is important for Directors to understand that they can be personally liable for their actions in relation to their PCN position in one of three ways:

1. For breaching their common-law duties as directors (duty of loyalty);
2. Failure to adhere to the statues that impose personal liability on directors (the Income Tax Act and Canada Pension Plan Act); and
3. For liability in tort for civil wrongs (through vicarious liability, the PCN may be liable for the actions of its employees).

To assist in mitigating these liabilities the PCN seeks an annual Management Assurance Report on Statutory Remittances to the FAC and the Board. A second Management Assurance Report regarding Occupational Health and Safety is reviewed with the HR Committee and the Board.

## Directors and Officers Insurance

() PCN has a program of insurance that includes coverage for director’s and officers’ liability, which is part of an overall insurance package for the PCN. The insurance is renewed annually. () PCN’s overall insurance is reviewed by the FAC every other year.

# Administrative Lead and Medical Director Performance and Succession Planning

One of the Board’s key responsibilities is the selection of the Administrative Lead and the Medical Director. Once these people are in place, the Board is responsible for setting their performance objectives for the year and periodically reviewing these objectives, compensation and succession plans.

## Evaluation of Administrative Lead Performance

The Administrative Lead, in consultation with the HR Committee and the Board, establishes goals and objectives each year. The HR Committee annually reviews the Administrative Lead’s performance in light of these previously established goals and objectives. The HR Committee also annually reviews the Administrative Lead’s compensation. The HR Committee recommends any changes to the compensation and, together with the entire Board, approves such compensation. These activities take place in February, prior to the upcoming fiscal year.

## Evaluation of Medical Director Performance

The Medical Director, in consultation with the HR Committee and the Board, establishes goals and objectives each year. The HR Committee annually reviews the Medical Director’s performance in light of these previously established goals and objectives. The HR Committee also annually reviews the Medical Director’s compensation. The HR Committee recommends any changes to the compensation and, together with the entire Board, approves such compensation. These activities take place in February, prior to the upcoming fiscal year.

Succession Planning

A key responsibility of the Board is to ensure the long-term successful performance of the PCN. One major component for successful performance is an identified succession plan for the Administrative Lead and Medical Director. Planning for succession requires an annual assessment of the organization’s key staffing requirements based on its long-term strategic and business goals. The Board is responsible for ensuring that a succession plan is in place for the Administrative Lead, Medical Director and for other key managerial positions. Regular annual reviews of the plan are completed by the HR Committee and reported to the Board.

Appendix A: () XX Company Articles of Association

Appendix B: Position Descriptions

# () PCN Board Chair Position Description

## **Accountability**

The chair is accountable to the Board of Directors and members as specified by the Articles of Association. The Chair is aware of and fulfills governance responsibilities and complies with applicable laws and Articles of Association to conduct Board business effectively and efficiently. The Chair is also accountable for his or her performance.

## **Role**

1. Ensure the integrity and effectiveness of the Board’s governance role and processes.
2. Preside over all meetings of the Board and the members.
3. Serve as an important member of the organization’s leadership team, working cooperatively and collaboratively with the Administrative Lead and Medical Director.
4. Act as a spokesperson for the organization, serving as a representative of the organization to both internal and external constituencies, including any zone or provincial PCN Physician Lead Committees or groups.
5. Sit as an ex officio voting member of all Board committees.

## **Responsibilities**

### Board Governance

1. Ensure that the Board performs a governance role that respects and understand the role of management.
2. Ensure that the Board adopts an annual work plan that is consistent with the PCN’s strategic directions, mandate and vision.
3. Ensure that the work of the Board committees is aligned with the Board’s role and annual work plan and that the Board respects and understands the role of Board committees.
4. Ensure Board succession by ensuring there are processes in place to recruit, select and train directors with the skills, experience, background and personal qualities required for effective Board governance.
5. Oversee the Board’s evaluation processes and provide constructive feedback to individual committee chairs and Board members as required.
6. Ensure the Board governance structures and processes are reviewed, evaluated and revised from time to time.

### Presiding Officer

1. In conjunction with the Administrative Lead, set agendas for Board meetings and ensure that matters dealt with at Board meetings appropriately reflect the Board’s role and annual work plan.
2. Encourage input from all members and ensure that the Board hears all sides of a debate or discussion.
3. Facilitate the Board in reaching a consensus.

### Relationships

1. Monitor the performance of the directors, ensuring periodic Board evaluations in accordance with Provincial PCN Governance Policy.
2. Maintain a constructive working relationship with the Administrative Lead, providing advice and counsel as required to ensure he or she understands Board expectations and authority.
3. Ensure the Administrative Lead and Medical Director’s annual performance objectives are established and an annual evaluation of the two positions is performed.
4. Participate in the hiring of the Administrative Lead and the Medical Director.

### Other Responsibilities

1. Fulfill other powers and duties from time to time, as prescribed by the Board to the office.
2. Perform all duties stated in the () PCN Board Member Position Description

### Commitment

The () PCN Board meets at least XX times per year, Board meetings generally occur in the evenings to accommodate clinical practice. On an annual basis () PCN holds an annual meeting of its members. This generally occurs in MM. On an annual basis, a board retreat is held. The Chair regularly meets with the Administrative Lead and is responsible for serving as his or her advisor. The Chair helps set Board meeting agendas.

### Qualifications

1. Is a member appointed by one of the respective organizations.
2. Is a recognized individual in their community, knowledgeable about the PCN.
3. Is able to influence members, opinion leaders/decision makers and has political acuity.
4. Possesses superior leadership and communication skills.
5. Has insight to help shape PCN directions, policies and programs.
6. Brings visibility to and enhances the profile of the PCN, locally within the zone and at a provincial level.
7. Has the time to continue to build upon previously established relationships between the PCN and stakeholders.

### Representation

An individual at large who sits as an independent member once elected to the position of Chair (for example, not representing government of non-government organizations).

### Term

The Chair is eligible to serve on () PCN’s Board of Directors for two consecutive three-year terms.

# () PCN Board Vice Chair Position Description

##  **Accountability**

During the absence of the chair or when the Chair is unable to act, the duties and powers of the Chair may be exercised by the Vice Chair. If the Vice Chair takes the place of the Chair, the absence of or inability to act as the Chair will be referenced.

### **Responsibilities**

1. Serve as a member of at least one Committee.
2. Act as a spokesperson for the PCN, serving as a representative of the PCN to both internal and external constituencies.
3. Perform other duties from time to time as prescribed by the Board of Directors.
4. Perform all duties stated in the () PCN Board Member Position Description.

### **Qualifications**

1. Meets all of the qualifications listed in the () PCN Board Member Position Description and is a member of the () PCN Board of Directors.
2. Has the potential to be the future Board Chair.

### **Term**

The Vice Chair is eligible to serve on the () PCN’s Board of Directors for two consecutive three-year terms. If the Vice Chair is elected to the office of Chair, this limitation can be abrogated to permit the director to serve for two additional consecutive three-years terms in the office of Chair.

# () PCN Board Member Position Description

## **Accountability**

The Board of Directors provides the strategic leadership necessary to establish and review the vision, mandate, mission and corporate goals or objectives of () PCN. As a whole, the Board represents the collective interests of the members of the PCN.

## **Responsibilities**

Directors and officers have a fiduciary responsibility to () PCN. Every director and officer is required to exercise his or her powers and discharge his or her duties by:

1. Acting honestly and in good faith with a view to the best interests of the PCN;
2. Exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
3. Attend all Board meetings.

For specific responsibilities regarding stewardship, fiduciary and monitoring roles, please see the section “The Board’s Role”.

## **Commitment**

The () PCN Board meets at least XX times per year, Board meetings generally occur in the evenings to accommodate clinical practice. On an annual basis () PCN holds an annual meeting of its members. This generally occurs in MM. On an annual basis, a board retreat is held.

## **Qualifications**

1. Is a member of the () PCN.
2. Is a recognized individual in their community, knowledgeable about the PCN.
3. Is able to influence members, opinion leaders/decision makers and has political acuity.
4. Possesses superior leadership and communication skills.
5. Has insight to help shape PCN directions, policies and programs.
6. Brings visibility to and enhances the profile of the PCN, locally within the zone and at a provincial level.
7. Has the time to continue to build upon previously established relationships between the PCN and stakeholders

## **Term**

A Director is eligible to serve on () PCN’s Board for two consecutive three-year terms. This limitation is abrogated should the director be elected to the position of Vice Chair or Chair.

# Chair of () PCN Board Finance and Audit Committee Position Description

## **Committee Roles and Responsibilities**

1. Review and recommend the approval of the broad financial policies of () PCN, including the yearly operational plans and budget.
2. Review the financial position of () PCN at a minimum on a quarterly basis.
3. Formulate recommendations on the financial statements, the auditor’s report and the appointment of the forthcoming year’s auditor and the related fees.

## **Specific Duties**

1. Attend and preside over all meetings of the FAC.
2. Report to () PCN’s Board of Directors on the activities of the committee and bring forward its written recommendations.

## **Commitment**

The FAC meets at a minimum on a quarterly basis, either by conference call or face to face. Other meetings may be convened on an ad hoc basis as required.

## **Qualifications**

1. Must be a () PCN Board Member
2. Knowledge and skills in the area of finance

# () PCN Chair of the Nominations/Governance Committee Position Description

## **Committee Roles and Responsibilities**

1. Oversee Board succession planning and assesses and makes recommendations regarding nominees for appointment to the Board.
2. Oversee the review of all nominations to ensure they are complete and prepare information for inclusion in the AGM meeting materials.
3. Oversee the selection of committee chairs and members.
4. Direct and oversee the assessment of the Board and Board committees, review such assessments and make recommendations to the Board regarding the ways in which governance performance and contributions can be enhanced.
5. Design and periodically assess the Board members’ orientation and education program, including review of the governance handbook.
6. Ensure that all board members have completed an orientation session and sign an acknowledgement that they have read, understand and will diligently perform their duties as outlined in the roles and responsibilities of any position held.
7. Oversee performance indicators to be reported to the Board.
8. Review, assess and draft policies and decisions regarding performance for Board deliberation and action.
9. Develop annual work plans for approval by the Board.
10. Perform other tasks related to governance performance as assigned by the Board.

## **Specific Duties**

1. Attend and preside over all meetings of the Nominations/Governance Committee.
2. Report to () PCN’s Board of Directors on the activities of the committee and bring forward its recommendations.

## **Commitment**

The Nominations/Governance Committee meets at least twice per year, prior to the AGM and after the AGM to develop the Board Work Plan. Other meetings may be required on an ad hoc basis. These meetings may be held by teleconference or in person, as appropriate.

## **Qualifications**

1. Must be a () PCN Board member
2. Knowledge and skills in the area of governance

# () PCN Chair of the Human Resources Committee Position Description

## **Committee Roles and Responsibilities**

1. Oversee () PCN’s compensation and benefit policies.
2. Review and approve the Administrative Lead and Medical Director’s annual performance objectives.
3. Review the Administrative Lead and Medical Director’s performance and recommend their compensation to the Board.
4. Review the succession plan for the Administrative Lead, Medical Director and any senior managers.
5. Oversee the principles of the recruitment/retention strategy for employees.
6. Provide oversight related to occupational health and safety and other key HR activities.

## **Specific Duties**

1. Attend and preside over all meetings of the HR Committee
2. Report to the () PCN’s Board of Directors on the activities of the committee and bring forward its written recommendations.

## **Commitment**

The HR Committee meets at least two times per year, either by conference all or face to face. Other meetings may be convened on an ad hoc basis as required.

## **Qualifications**

1. Must be a () PCN Board Member

Appendix C: Board Policies

# Conflict of Interest Policy

1. **Preamble**

Directors and Officers of the ( ) Primary Care Network **(**the "**PCN**") are required to use the utmost good faith in all their dealings involving the PCN. Directors must exercise their powers in a *bona fide* manner, in the best interests of the PCN, and not for any side purpose, special interest or other agenda.

The objective of this policy (this "Policy") is to assist directors and officers of the PCN to more effectively fulfill their statutory and fiduciary obligations to the PCN. This Policy applies to all Office Holders (as that term is defined below) and is supplementary to any statutory or common law duties and obligations, or any other standards of conduct, applicable to Office Holders including those imposed by the *Companies Act* (Alberta) and the Articles of Association of the PCN.

Violation of this policy is grounds for disciplinary action up to and including removal from the Board or termination from any position of employment with the PCN.

Each Office Holder acknowledges and agrees that this Policy is a binding obligation upon him/her and his/her heirs, executors, administrators and successors.

1. **Interpretation**

In this Policy, the following terms shall have the following meanings:

* + - "**associate**" means:

any person or other entity with which an Office Holder has an actual or proposed contractual or business relationship of any kind, including any relationship involving actual or potential ownership of securities or any other interest in a body corporate, partnership, joint venture or similar arrangement; and

anyone in a close personal or friendship relationship with an Office Holder, whether or not that relationship is conjugal;

* + - "**Board**" means the board of directors of the PCN, collectively;
		- "**conflict of interest**" means the performance by an Office Holder of his/her duties or functions of his/her office or employment, while having knowledge that in carrying out the duty or function there is an opportunity to further his/her private interest;
		- "**Director**" means a director of the PCN;
		- "**family**" means any person related by marriage, blood or adoption, and also includes anyone living with an Office Holder;
		- "**including**" shall be deemed to be followed by the statement "without limitation" and shall not be construed to limit any word or statement which it follows to the specific or similar items or matters immediately following it;
		- "**office**" means a directorship, office, job, board membership, or any other office or appointment;
		- "**Office Holder**" includes:
		1. all members of the Board;
		2. all Directors and Officers; and
		3. any other employee or Office Holder of any kind of the PCN as may be designated by the Board from time to time;
		- "**Officer**" means an officer of the PCN; and
		- "**Policy**" means this Conflict of Interest Policy.
1. **Private Interest**

For the purposes of this Policy, "private interest" means any material financial or other advantage or benefit to an Office Holder, to a member of his or her family, or to an associate which might reasonably be perceived by a well informed observer as capable of compromising the fair and impartial making of a decision or the carrying out of a duty or function on the basis of considerations properly related to that decision, duty or function, and for greater certainty includes any material, actual or promised:

* + - direct or indirect financial interest;
		- appointment, contract or other arrangement for the provision of goods or services of any kind by the Office Holder or other person or by any body corporate or other entity in which he or she has an interest;
		- offer of employment or promotion; or
		- other advantage or benefit other than that provided by the PCN, the Board, any other committee, or other organization, to relevant Office Holders.

A "private interest" does not include an interest arising from the exercise of an official power or the performance of an official duty or function that:

* + - applies to the general public; or
		- concerns the approved remuneration or benefits of an Office Holder as such.
1. **Potential Conflicts of Interest**

An Office Holder must, upon being appointed, provide the Chair and Administrative Lead of the PCN with a declaration of all private interests they are aware of that could reasonably have potential to give rise to a conflict of interest for them. Each Office Holder will have an obligation to update his/her declaration from time to time as necessary to keep it current and comprehensive.

1. **Prohibitions**

***A. Generally***

An Office Holder must not carry out or participate in the carrying out of a duty or function, including the making of any decision, if he or she has a conflict of interest. In addition, an Office Holder must not use his or her office to seek to influence a decision, to be made by another person, to further the Office Holder's private interest.

***B. Insider Information and Use of Assets***

An Office Holder shall not knowingly use information that is obtained in the course of carrying out his or her duties that is not generally available to members of the of the PCN to further or seek to further his or her private interest. In addition, an Office Holder shall not knowingly disclose information to any individual or organization that could provide an advantage not generally available to other individuals or organizations that may be in competition with the recipient of the information.

An Office Holder shall not use assets owned, controlled or provided by the PCN, as the case may be, (including but not limited to equipment, office space, or materials) to further his or her private interest, or otherwise except for approved purposes.

***C. Accepting Extra Benefits***

An Office Holder must not accept a fee, loan, gift or any other private benefit of any kind that is connected directly or indirectly with the performance of his or her duties as such, except:

* + - to the extent duly authorized by the Board; or
		- to the extent a gift or private benefit that is received as an incident of the protocol or social obligations that normally accompany the responsibilities of office.

If the value of a gift or private benefit referred to in the exceptions above exceeds $100 in value, or if the total value received directly or indirectly from one source in any 12 month period exceeds $500, the Office Holder must immediately disclose particulars of the gift or benefit in writing to the Board indicating:

* + - the nature of the gift or private benefit;
		- its source; and
		- the circumstances under which it was given and accepted,

and shall transfer the gift or benefit to the PCN or as may otherwise be directed by the Board.

1. **Procedure on Conflict of Interest**

***A. Disclosure by Office Holder***

An Office Holder who has reasonable grounds to believe he or she has a conflict of interest must immediately:

* + - disclose the general nature of the conflict; and
		- if present at a meeting or participating in any other process considering the matter, withdraw from the meeting or other process without participating in the discussion, making any comment or voting on the matter; or
		- if the matter is other than a meeting or other process to consider the matter, refrain from participating in the carrying out of that duty or function.

If an Office Holder breaches this Policy and the Office Holder, or his or her family member or associate thereby realizes any financial gain, the Office Holder shall on demand pay the amount so gained to the PCN, together with all reasonable legal and accounting fees and disbursements and other costs incurred by the PCN to investigate and enforce such claim.

***B. Rulings***

On the request of the relevant Office Holder, the Board shall be entitled to conclusively determine:

* + - whether a private interest exists;
		- whether a conflict of interest exists;
		- whether a proposed course of action by an Office Holder would constitute a breach of this Policy; and
		- whether, in the event a course of action would or may constitute a breach of this Policy, the requirements of the Policy should be waived.

## Examples of Conflict of Interest

Some of the more common areas of potential conflicts include the following:

1. The choice of suppliers of goods and services must be based on competitive considerations of quality, price service and benefit to () PCN and must comply with its policies. Contracts will be awarded in a fair and legal manner and are subject to the established tendering procedure. Use of one’s position or knowledge to influence this process for direct or indirect personal gain is prohibited.
2. Employees and Board directors shall not accept or offer gifts, hospitality or other benefits that could be construed as being given in anticipation of future special considerations or recognition of past consideration by () PCN.
3. Employees and Board directors must disclose their relationship should a family member be hired by () PCN.
4. Employees will not devote time during normal business hours to an outside business activity.

# Travel Expense Policy

Under development

# Board Remuneration Policy

Under development

# () PCN Governance Policy

1. **Preamble**

This corporate governance policy is intended to provide a framework within which the Board of Directors (the "Board") and management of the ( ) PCN, a non-profit company incorporated pursuant to Part 9 of the *Companies Act* (Alberta) **(**the "PCN") and carrying on business as "( ) PCN", may operate.

The objective of the PCN in creating this policy is to help ensure that, through the diligent application of the provisions of this policy, the Board and management may work effectively together, in an ethical and legal manner, to better promote the interests of the PCN and its stakeholders.

1. **Statement of Guiding Principles**

In carrying out the objects and goals for which the PCN has been established, the Board and management will strive to promote and maintain the following:

* *Insert () PCN Guiding Principles*
1. **Board of Directors**

***A. Role & Responsibilities***

The Board is required to comply with the terms of the *Companies Act* (Alberta)*,* the Memorandum of Association and the Articles of Association of the PCN, and all policies as may be adopted by the PCN from time to time. While discharging its obligations, and subject to direction from the Nominations/Governance Committee, the Board shall:

* Provide leadership in the development of the PCN and to Participating Physicians, and monitor and ensure the PCN's compliance with the terms of the Joint Venture Agreement;
* Make decisions as a collective. Individual members of the Board will have authority only to the extent expressly delegated by resolution of the Board;
* Approve the business plan to be submitted to Alberta Health (AH) (the "**Business Plan**");
* Review and monitor PCN performance against, and compliance with, the budget for the PCN (the "**Budget**");
* Review and approve annual financial statements of the PCN and provide oversight in respect of the integrity of financial information, and monitor the effectiveness of internal control and management systems;
* Oversee, objectively and in an independent manner, the management and direction of the activities and affairs of the PCN, including all physician and other health care provider services reasonably required in accordance with the Business Plan, the Budget and approved service delivery models;
* Represent the PCN in, and liaise with, the local and provincial medical community;
* Identify the principal risks to the activities and affairs of the PCN and oversee the implementation of appropriate systems and processes to manage those risks;
* Determine the framework and entities, plans, funds and investment vehicles, through which the objects and goals of the PCN are to be achieved;
* Appoint, and monitor the performance of, the Administrative Lead and Medical Director of the PCN;
* Provide oversight in respect of the human resource management of the PCN, as well as recommendations in respect of the remuneration of the Administrative Lead and Medical Director;
* Adopt policies to ensure high standards of conduct by directors, officers and employees in the activities and affairs of the PCN and review compliance in respect of such policies; and
* Investigate and respond to complaints related to the PCN.
1. ***Composition of the Board and Requirements for Board membership***

The Board shall consist of the following individuals, each of whom shall have voting rights in accordance with the PCN's Articles of Association:

* Six (6) Individuals, 3 appointed from each respective organization in accordance with the PCN’s Articles of Association.
* The Board may in its discretion invite consultants of the PCN and other non-Board members as may be approved by the Chairfrom time to time to attend Board meetings; provided that under no circumstances shall any such guests be entitled to vote.
* The Administrative Lead and the Medical Director shall be considered *ex officio* non-voting members of the Board.
1. ***Board Member Time Allotment and Remuneration***

The responsibilities of a Board member are estimated at XX hours on a monthly basis. Following is an estimation of time and duties which Board members will be required to satisfy:

*Reviewing reports and documents: X hours/month*

*Attendance at regularly scheduled Board Meetings X hours/month*

*Responding to queries or issues X hours/month*

In accordance with the Articles of Association, Board members shall not be entitled to any remuneration or compensation for their services as a Board member, unless otherwise agreed to by a simple majority resolution of the members of the PCN at a General Meeting. By resolution of the Board, Board members may be reimbursed by the PCN for all reasonable out-of-pocket expenses necessarily incurred by them in the performance of their duties as a Board member.

***D. Chair of the Board***

The primary responsibilities of the Chair of the Board are to:

* Preside over meetings of the Board;
* Provide leadership to the Board and ensure that high standards of governance within the PCN are maintained;
* Oversee the Board’s effectiveness and work closely with the PCN’s officers and management (including the PCN’s Administrative Lead and Medical Director) to ensure that the Board fully performs its obligations and responsibilities, in a way respectful of the duties and authorities of the PCN’s management;
* Monitor and co-ordinate the functions of the Board with management to effectively maintain the separation of roles and responsibilities;
* Take direction from the Board and co-ordinate delegation of responsibilities, tasks and activities to the other Board members, officers and committees.

**Committees**

In order to more effectively fulfill its responsibilities, the Board of the PCN may create committees of the Board. The rules and procedures generally applicable to any such committees are described in the Board Committees Policy.

**Officers**

***A. Treasurer***

The primary responsibilities of the Treasurer are to:

* Have general charge of the finances of the PCN;
* Management of finances and financial reporting, including keeping the books of account; and
* Manage the annual audit of the PCN and ensure that the audited financial statements are prepared and presented to the Board and for approval by the members at each Annual General Meeting of the PCN.
1. ***Secretary***

The primary responsibilities of the Secretary are to:

* Give and serve all notices of the PCN;
* Ensure that minutes of all meetings of the PCN, Board and Committees are kept and filed appropriately; and
* Hold and secure the Corporate Seal or direct corporate counsel to hold and secure the Seal.
1. ***Administrative Lead***

The Administrative Lead shall be a non-voting member of the Board. The Administrative Lead’s primary responsibilities are to:

* In all matters, take and implement direction from the Board;
* Co-ordinate the delegation of responsibilities, tasks and activities to other employees and officers and, as appropriate, to committees of the PCN;
* Collaborate with the Chair of the Board in order to plan meetings and prepare agendas;
* Provide leadership, under the direction of the Board, to the PCN generally;
* Report to the Board as the senior management officer of the PCN;
* Work hands-on with the Board as well as a number of PCN committees or sub-committees, to determine the PCN’s strategic direction and then to follow through on implementation;
* Oversee the day-to-day management of operations and staff of the PCN in accordance with applicable bylaws, policies, objectives and direction set by the Board;
* Manage the affairs and further the objectives for the PCN;
* Serve as a policy and management resource to the Board;
* Support the efforts of the Board to create awareness of the PCN, its vision, objectives, and strategic intentions;
* Facilitate the development of the strategic, financial, administrative and communications plans as well as the policies and procedures of the PCN;
* Develop and monitor the PCN’s policies and procedures;
* Be responsible for communication and reporting requirements, on behalf of the Board, including financial and legal matters;
* Ensure the business of the PCN is conducted in accordance with good business practices;
* Develop and manage annual operation and program budgets for approval by AH;
* Manage and oversee the activities related to the PCN, including staff and any hired professional services (such as private legal counsel, accounting, auditing and IT personnel, as necessary);
* Manage contracts with third party consultants retained for Board activities;
* Liaise with members of the Board and other stakeholders;
* Facilitate establishment of any sub-committees deemed necessary to give guidance to the Board and/or its committees; and
* Establish performance measurements and manage project and program performance and evaluation.