

## **Executive, Performance and Compensation Committee Terms of Reference**

### **Preamble**

The Executive, Performance and Compensation Committee has been established by the Board of Directors to:

- exercise full powers of the Board in all matters of administrative urgency that require immediate action as brought forward by the Board Chair and any matters referred to it by the Board, except any non-delegable powers as defined in the Ontario Not-for-Profit Corporations Act (ONCA), and bring these decisions to the Board for ratification
- provide a forum for advice and counsel to the Chair, Chief Executive Officer (CEO) and Chief of Staff (COS) and Committee Chairs
- perform the Board's duties in performance management of the CEO and Joint Chief of Staff, and other executive staff human resource matters in accordance with relevant board policies, and make recommendations to the Board in these regards

### **Reporting Relationship**

The Committee reports to Board of Directors.

### **Chair**

The Chair of the Board is the Chair of the Committee

### **Voting Membership**

- Board Chair
- First Vice Chair
- Second Vice Chair
- Past Chair
- Resources Committee Chair
- Governance and Community Engagement Committee Chair
- Quality Committee Chair

### **Ex-Officio Non-Voting Membership**

- President and CEO
- Chief of Staff

### **Resource (non-members)**

- VP accountable for human resources, supports executive performance management processes
- Others annually appointed as required

### **Responsibilities and Accountabilities**

In addition to the responsibilities listed in the preamble, the committee has the following responsibilities and accountabilities:

#### **1. Key Legislation**

Legislation that may pertain to the area(s) of this Committee's responsibilities include, but not limited to, the following:

- 1.1. Broader Public Sector Executive Compensation Act, 2014, S.O. 2014, c. 13,
- 1.2. Ontario Not-for-Profit Corporations Act, 2010
- 1.3. R.R.O. 1990, Reg. 965: Hospital Management
- 1.4. Public Hospitals Act, R.S.O. 1990, c. P.40
- 1.5. Local Health System Integration Act, 2006 S.O. 2006, c. 4
- 1.6. The People's Health Care Act, 2019, S.O. 2019, c. 5

#### **2. Governance**

- 2.1. Apply sound governance practices and tools to achieve effective governance
- 2.2. Monitor the committee's own effectiveness through a regular evaluation process

#### **3. Executive Performance Management**

In exercising its roles in executive performance management, the Committee has the following responsibilities:

- 3.1. Review the Executive Compensation Framework and policy, recommending any changes, if required, to the Board of Directors to ensure that legislative requirements are fulfilled
- 3.2. Review and recommend to the Board policies that govern the position descriptions, recruitment, succession planning, compensation and benefit programs for the President and CEO (CEO) and Joint Chief of Staff (JCOS) positions
- 3.3. Manage all aspects of performance management regarding the positions of CEO and JCOS, including recruitment, performance management, and providing guidance on the two positions' succession planning
- 3.4. Prepare recommendations to the Board regarding the annual compensation guidelines, goals and objectives for the CEO position
- 3.5. Provide the Board Chair with input on the JCOS's annual compensation guidelines, goals and objectives. Based on this input, the Board Chair will, in conjunction with an evaluation committee consisted of representatives from both SMGH and GRH,

- develop recommendations on the same to be reviewed and approved by the Boards of the two hospitals
- 3.6. Receive an annual conflict of interest declaration report outlining any conflicts of interest of the CEO and members of the Senior Leadership Team
  - 3.7. Ensure through the CEO and JCOS that effective organization structures and succession planning are in place for senior leadership, the chiefs and medical leadership
  - 3.8. Respond to any compensation and executive resources matters that may be referred to the committee by the Board and act according to the nature of the referral
  - 3.9. Develop a process to recruit the CEO and JOCS and oversee its implementation as needed

**Quorum**

A majority of the voting members will constitute quorum.

**Voting**

Each voting member including the Committee Chair shall have one vote.

**Meeting Frequency**

The Committee will meet at least 3 times per year. Additional meetings may be arranged at the call of the Chair as necessary.

**Meeting Procedures**

Refer to Sub-section 4.2 – 4.9 of Corporate By-law, 2022