

## **I. Mission**

The North End Business Association (NEBA), is a self-funded, not-for-profit society governed by a Board of Directors on behalf of nearly 400 members, who consist of business owners and commercial property owners in the north end of peninsular Halifax. The NEBA serves its members' needs by providing a range of helpful resources, information, advice and services.

The North End Business Association exists to make north end Halifax a great place to conduct business, live, work and play through:

- Improving business conditions
- Promoting economic development
- Supporting the common business interests
- Creating a positive image
- Assisting in creating and maintaining attractive living environments.

## **II. Incorporating Documents**

- Societies Act, Section 5, R.S.N.S. 1989, C.4
- By-Laws – November, 10 2011
- Memorandum of Association
- Service Agreement between Halifax Regional Municipality and the North End Business Association

### III. Directors – Legal Powers and Duties

#### (a) Power – By-Laws

The Association's By-Laws provide that the "management of the business of the Association shall be vested in the Directors" (section 5.1) except as otherwise provided for in the provisions of any governing Statute(s) or by its Memorandum of Association or By-Laws. The powers of the Board of Directors shall include but shall not be limited to:

- (1) To make recommendation(s) to the Members on the amendment of these By-Laws;
- (2) The recommendation to the Halifax Regional Municipality on the establishment of local area rates for the District;
- (3) To enter into agreements or contracts on behalf of the Association;
- (4) To purchase or otherwise acquire for the Association, any property, rights or privileges;
- (5) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Association, either wholly or partially, in cash or bonds, debentures or other securities of the Association;
- (6) To appoint, assign powers and duties to, compensate;
- (7) To institute, conduct, defend, compound, or abandon any legal proceedings by and against the Association or its directors;
- (8) To make and give receipts, releases and other discharges for money payable to the Association and for claims and demands of the Association;
- (9) To determine who may exercise the borrowing powers of the Association and sign related documents on the Association's behalf;
- (10) To invest and deal with any funds of the Association not immediately required for the purposes thereof;
- (11) To enter into such negotiations and contracts and rescind and waive all such contracts and execute and do such acts, deeds and things in the name and on behalf of the Association's;
- (12) To set aside such sums as they think proper as a reserve fund(s) to meet contingencies or for depreciation, and for such other purposes as the Directors in their discretion conducive to the interest of the Association; and to invest the several sums so set aside upon such investments as they think fit;

For clarity, it is important to note that the exercise of powers by Directors under the Association's By-Laws are subject to the *Societies Act* that originally established the Association.

#### b. Duties – Common Law

Our “judge-made” or common law prescribes certain duties and standards for directors. It is well accepted that directors occupy a fiduciary position vis-à-vis the Association. They sit “in trust” for the owner(s) of the Association – its Members. In order to fulfill this fiduciary obligation, the directors must:

- Act honestly
- In good faith (for a valid reason)
- Act in the best interest of the Association and its Members as a whole, and
- Not put themselves in a conflict of interest situation.

Directors must also exercise a standard of care when fulfilling their duties and responsibilities. Each director must exercise the same degree of prudence as a reasonable person with the same skills and background would in the circumstances. Directors must also be diligent – they must regularly attend Board of Directors and Committee meetings, review materials presented to them and to generally be aware of the major affairs of the Association.

### **c. Duties – Statutory**

In certain instances, legislators have decided to expose directors to personal liability for acts or omissions on the part of the companies they serve as directors. For example, the *Federal Income Tax Act* requires that employers deduct income taxes from their employees at source and remit them to the Receiver General of Canada. If the Association fails to collect or to remit these taxes, the directors may be held personally liable for them.

Similar examples exist in other statutes such as the *Excise Tax Act*, the *Criminal Code*, environmental protection and employment standards legislation. It is important for directors to periodically assure themselves the Association is in compliance with its legal and regulatory framework.

#### **IV. Accountability Relationships**

##### **(a) Members**

The North End Business Association is funded by a levy collected from all business in the specified area. The Membership, through a vote as prescribed in the By-laws, may disband the Association.

##### **(b) Halifax Regional Municipality**

The Halifax Regional Municipality collects an area levy from the Members and remits this levy to the North End Business Association. This agreement takes the form of a service agreement renewable from time to time. The Halifax Regional Municipality may appoint a Councillor and a representative of the Municipal Chief Administrative Officer to the Board of Directors.

## **V. Governance**

“Governance” is a framework for enabling effective action in relation to the business and affairs of a company. The North End Business Association’s governance consist of the processes and structures used to direct and manage affairs of the Association, which processes and structures establish clear responsibilities and accountabilities between and among the Board of Directors and the Senior Management of the Association.

### **(a) Fundamental Governance Principals**

The North End Business Association’s Board of Directors believes that the governance of the Association will be effective if:

1. There is a clear understanding of the Association’s history and accountability, its relationships with its Members and the Halifax Regional Municipality (pursuant to a service agreement with HRM).
2. There is a strong and clear Mission and strategic direction for the Association that the Board of Directors, the senior management, the Association, and its stakeholders understand and support.
3. The Board of Directors is comprised of highly qualified individuals who can work well together and who can add value to the Association by virtue of their experience and background.
4. The Board of Directors makes informed decisions in the best interests of the Association as a whole, in keeping with sound business practices.
5. There is a clear understanding by the Board of Directors of its responsibilities and roles and those of senior management.
6. There is excellent communication between the Association and its stakeholders.
7. Association, through the Board of Directors, is accountable to its stakeholders, This means that the Association must identify measurable targets, regularly evaluate its performance against those targets and report to its stakeholders on the results of that evaluation.

## VI. The Key Responsibilities of the Association's Board of Directors

In addition to compliance with its basic legal duties, the Association's Board of Directors is responsible for:

1. Developing, approving and disclosing a written description of the Board's responsibilities.
2. Adopting a strategic plan (including the Association's Mission) and annual business plan and monitoring the implementation of those plans by the Association.
3. . The responsibility for developing the plans, including the identification of the opportunities and risks, rests with the Executive Director. However, the Board is responsible for reviewing the plans prepared by the management and assessing the reasonableness of their assumptions and risks before approving the plans.
4. Informing the stakeholders of the Association, to the best of their information, on the financial health and the integrity of the Commission's reported financial performance.
5. Make every reasonable effort to ensure that the principal risks of the Association's business are identified by the Executive Director and clearly understood by the Board of Directors and that appropriate systems are in place to manage those risks.
6. Adopting procurement standards for the organization.
7. Ensuring the integrity of the Association's internal control and management information systems.
8. Appointing an auditor.
9. Selecting the Executive Director.
10. Monitoring and evaluating the Executive Director's performance, including determining compensation and taking remedial action if required.
11. Understanding its role and avoiding conflicts of interest. This includes developing a code of conduct, conflict of interest guidelines, and policies enabling transparency and communication.
12. Assessing its own performance, through self-evaluation of the Board of Directors and individual evaluation.
13. Ensuring appropriate succession for vacant positions on the Board of Directors.
14. Developing appropriate Board structures and reviewing the Association's By-laws from time to time.
15. Monitoring the Association's performance in relation to pre-defined goals and targets and ensuring its accountability.

**VII. Delegation of Authority**

It is well accepted that the Board of Directors of a company can delegate certain of their powers and duties to honest, qualified and competent managers. To minimize the risks associated with such delegation, it is important for the Board of Directors and the manager(s) to clearly understand the scope of the responsibilities being delegated. There is also an onus on the party delegating the responsibilities to monitor the performance by the delegate (through regular reporting from the latter).

It is the delegation (and therefore the division) of powers between a Board of Directors and its senior managers that is at the foundation of the governance of an organization.



### VIII. The Roles of the Board of Management and Executive Director

The following is a brief description of the roles of the Board of Directors and the Executive Director in relation to each other of the responsibilities identified above.

<b>Responsibilities – General Description</b>	<b>Role of the Board</b>	<b>Role of the Executive Director</b>
<b>Strategic Planning</b>	<p>Policy Making:</p> <p>Considers and approves a strategic planning policy</p>	<p>Policy Making:</p> <p>Develops draft strategic planning policy for the Board’s consideration and approval</p>
	<p>Decision making:</p> <p>Approves the plan and approves amendments to the plan</p>	<p>Decision making:</p> <p>Develops the strategic plan in consultation with the Executive Committee and the Board of Directors</p>
	<p>Monitoring:</p> <p>Semi-annually reviews progress through a report from the Executive Director, including any recommendations to the Strategic Plan</p>	<p>Monitoring:</p> <p>Creates Strategic plan checklist</p> <p>Semi-annual report of progress against plan to the Board of Directors</p>
<b>Annual Business Plan and Budget</b>	<p>Policy making:</p> <p>Adopts independent or HRM business planning policy</p>	<p>Policy making:</p> <p>Develops the draft annual business planning policy for the Board of Director’s approval</p>
	<p>Decision-Making:</p> <p>Approves the plan (and any major changes that will cause major additional expenditures)</p> <p>Approves the budget</p> <p>Approves significant re-allocations of funds within the budget</p>	<p>Decision-Making:</p> <p>Develops the annual business plan and budget for the Board of Management’s consideration, in conjunction with the Secretary Treasurer</p> <p>Executive Director has the flexibility to run the day-to-day business within the parameters of the approved budget (as long as bottom line is met)</p> <p>Executive Director has the responsibility to notify</p>

		Board of Directors of areas where modifications need to be made, or discrepancies exist
	<p>Monitoring:</p> <p>Financial reporting against budget at every Board of Management meeting</p>	<p>Monitoring:</p> <p>Executive Director is expected to keep Board of Directors informed of material changes to the business plan and budget</p> <p>Expected to monitor Association's progress against the plan</p> <p>Provide the Board of Directors with financial updates with variances against budget at each Board of Management meeting, or at such frequencies as may be agreed.</p>
<b>Financial Health</b>	<p>Policy Making:</p> <p>Covered in the Annual Business Plan and Budget Policy and Monitoring</p> <p>Delegates operational financial policy-making to Executive Director</p>	<p>Policy Making:</p> <p>Executive Director ensures that Finance Department has appropriate operational financials policies and controls</p>
	<p>Decision-Making:</p> <p>Approves budget</p> <p>Approves any expenditures above and beyond the approved budget</p>	<p>Decision-Making:</p> <p>Makes operational or capital choices within the existing budgetary parameters</p> <p>Approves all operational financial policies for the organization</p>

<b>Adoption of Procurement Standards</b>	<p>Policy Making:</p> <p>Approves procurement standards for the Association</p>	<p>Policy Making:</p> <p>Approves procurement policy for all staff for the Association</p>
	<p>Decision-Making</p> <p>See immediately above</p>	<p>Decision-Making:</p> <p>As per Association procurement policy</p>
	<p>Monitoring:</p> <p>Is aware of the organization's procurement policies</p> <p>Approves decisions where Executive Director recommends a supplier that is not consistent with procurement policy</p>	<p>Monitoring:</p> <p>Administrates procurement policy: any expenditure in excess of \$500 must have three quotes; quality and price being the same, preference given to a north end supplier</p> <p>Seeks Board of Directors approval for recommending a supplier who does not meet the procurement criteria or where the amount involved is greater than \$2,500. Exclusive of HST.</p>
<b>Integrity of Reported Financial Performance / Appoint Auditor</b>	<p>Policy-Making:</p> <p>Appoints the auditor every three years</p> <p>Approves the audited financial statements</p>	<p>Policy-Making:</p> <p>Ensures quotes from auditors every three years or activates the option to renew current auditor for additional three years</p>
	<p>Monitoring:</p> <p>Relies heavily on external audit</p> <p>Requires consistent presentation of internal and audited financial reports</p>	<p>Monitoring:</p> <p>Identifies any discrepancies between actual and reported financial performance</p> <p>Reviews financial reports</p> <p>Ensures compliance with Receiver General of Canada remittance requirements</p> <p>Reports to the Board of Directors as required</p>

<b>Selection of the Executive Director</b>	<p><b>Policy-Making:</b></p> <p>Defines the scope and nature of the Executive Director’s position</p> <p>Appoints a Recruiting Committee to undertake a transparent hiring process.</p>	<p>Policy-Making</p> <p>Not applicable</p>
	<p><b>Decision-Making:</b></p> <p>Makes final decision, upon receiving a recommendation from the Recruiting Committee</p>	<p>Decision-Making:</p> <p>Not applicable</p>
	<p><b>Monitoring:</b></p> <p>Monitors its own compliance with selection process</p>	<p>Monitoring:</p> <p>Not applicable</p>
<b>Termination of the Executive Director</b>	<p><b>Policy-making:</b></p> <p>A Human Resources Committee is appointed, consisting of the Chair, Vice-Chair, Treasurer, and two non-executive members of the Board of Directors</p>	<p>Policy-making:</p> <p>Not applicable</p>
	<p><b>Decision-Making:</b></p> <p>Human Resources Committee empowered to terminate the Executive Director’s employment</p>	<p>Decision-Making:</p> <p>Not applicable</p>
	<p><b>Monitoring:</b></p> <p>Ensure Human Resources Committee’s decision-making is consistent with ethical termination procedures</p>	<p>Monitoring:</p> <p>Not applicable</p>

<p><b>Hiring, performance appraisals, termination of staff (other than Executive Director)</b></p>	<p>Policy-Making</p> <p>Decides number of, and positions, of full time staff for the Association</p>	<p>Policy-Making:</p> <p>Makes recommendation to Board of Directors about number of, and positions of full time staff</p>
	<p>Decision-Making:</p> <p>A Human Resources Committee is appointed, consisting of the Chair, Vice-Chair, Treasurer, and two non-executive members of the Board of Director's</p> <p>Human Resources Committee approves hiring recommendation from Executive Director</p> <p>Human Resources Committee reviews all positions on an annual basis and ensures salary is commensurate with similar positions</p>	<p>Decision-Making:</p> <p>Undertakes transparent hiring process to fill positions</p> <p>Makes recommendation to Human Resources Committee for hiring and termination</p> <p>Conducts annual performance and salary appraisals of all staff</p>
	<p>Monitoring:</p> <p>Ensures all hiring and personnel practices are congruent with internal policies and Human Resources standards</p>	<p>Monitoring:</p> <p>Ensures Human Resources Committee receives pertinent information annually</p> <p>Ongoing monitoring of employee performance, and annual performance appraisals</p>
<p><b>Monitor and evaluate the Executive Director</b></p>	<p>Policy-making:</p> <p>Evaluation policy is outlined in employment contract, and should be done on an annual basis</p>	<p>Policy-making:</p> <p>Not applicable</p>
	<p>Decision-Making:</p> <p>Chair and Vice-Chair evaluate the Executive Director</p> <p>Chair and Vice-Chair</p>	<p>Decision-Making:</p> <p>Not applicable</p>

	<p>determine the compensation</p> <p>Human Resources Committee initiates remedial action if required</p>	
	<p>Monitoring:</p> <p>Annual performance appraisal conducted by the Chair and Vice Chair</p>	<p>Monitoring:</p> <p>As per Executive Director evaluation standards set by Chair and Vice Chair</p>
<p><b>Understanding the Board of Management's role and avoiding conflicts of interest</b></p>	<p>Policy-Making:</p> <p>Develops and approves standards governing conflicts of interest</p>	<p>Policy-Making:</p> <p>Advises Board of Management of potential conflicts of interest with Board of Management members</p>
	<p>Decision-Making:</p> <p>Enforces compliance with the policies within the Board of Management</p>	<p>Decision-Making:</p> <p>Enforces compliance of the rest of the organization with the policies. Advises Board of Management of possible conflicts</p>
	<p>Monitoring:</p> <p>Receives notification from Executive Director regarding significant staff-related issues under the policies</p>	<p>Monitoring:</p> <p>Brings significant or potential breaches by staff under the policies to the Board of Management's attention</p>
<p><b>Board of Management's Effectiveness</b></p>	<p>Policy-Making:</p> <p>Develops Board of Management evaluation criteria, based on accomplishing actions in the Strategic Plan</p>	<p>Policy-Making:</p> <p>Not applicable</p>
	<p>Decision-Making:</p> <p>Implements actions arising from the Strategic Plan</p>	<p>Decision-Making:</p> <p>Not applicable</p>
	<p>Monitoring:</p> <p>At least annually</p>	<p>Monitoring:</p> <p>Not applicable</p>

<p><b>Approve a Communications Policy</b></p>	<p>Policy-Making:</p> <p>Sets direction for all external communications</p>	<p>Policy-Making:</p> <p>Ensures all external communications are compliant with Board of Directors' directives</p>
	<p>Decision-Making:</p> <p>Approves the annual report before its publication</p>	<p>Decision-Making:</p> <p>Develops communication strategies that are consistent with the Board of Directors' directives</p> <p>Brings external communications of a sensitive or controversial nature to the Board of Directors for approval</p>
	<p>Monitoring:</p> <p>Receives advance notice of press conferences or significant events</p> <p>Receives a summary of press clippings at Board of Director's meetings</p> <p>Receives reports from time to time from the Executive Director regarding significant issues affecting the public perception of the organization</p>	<p>Monitoring:</p> <p>Executive Director speaks for the organization; exceptions are with the Executive Director's permission only</p> <p>Executive Director must approve all external corporate communications</p> <p>Ensures that periodic membership surveys are conducted</p>

**X. Boardroom Culture – Desired Attributes**

The Association's Board of Directors values the time it spends together as it fulfills its governance responsibilities for the Association. In order to make the most of its boardroom activities, the Board of Directors has identified the desired attributes of its culture to be as follows:

- Collegiality and team spirit should be demonstrated during discussion and decision-making;
- The Board of Directors should strive for consensus agreement wherever possible;
- The Chair can keep the formality of a meeting to a minimum by summarizing and confirming the consensus agreement;
- Discussion should focus on areas of disagreement and should be open so that everyone is encouraged to express their views.



**XI. Performance Expectations of the North End Business Association Board of Directors**

At Board of Directors or Committee Meetings, Directors expect each other to:

- Be prepared for the meeting, having read relevant materials in advance
- Attend and be punctual (or resignation from the Board of Directors if unable to do so on a regular basis)
- Use a positive, constructive and respectful approach/tone
- Ask questions
- Stay on topic/focused
- Act in the best interests of the organization as a whole (versus a particular constituency)
- Express dissenting views during the discussion/debate but respect the Board of Directors decision-making processes (and therefore the majority decision of the Board once made)

Between Board meetings; Directors expect each other to:

- Respect the confidentiality of the Association's Board of Directors affairs
- Publicly support the decisions of the Association's Board of Directors
- Attend Association functions from time to time
- Publicly support and promote Association activities
- Identify potential external trends that may have an impact on the Association's plans and activities

## **XII. Performance Expectation of the Board Chair**

At Board of Management Meetings, Directors expect the Chair to:

- Actively manage the discussion to ensure the Board of Directors stays on topic and on time
- Issue periodic reminders to the Board of Directors about confidentiality and conflict of interest requirements

Between Board of Directors Meetings, Directors expect the Chair to:

- Be in regular communication with the Executive Director
- Be available to the Directors and to the Executive Director
- Manage Committee work through liaison with Committee Chairs
- Represent the Board at Association functions

### **XIII. Board Independence**

Each Director of the Association is obliged to exercise his/her independent judgment in the best interest of the Association as a whole.

In such instances, all employees of the Association will be excused from the in camera Board of Directors meeting. It is clearly understood that the key points of any discussion during an in camera meeting of the Board of Directors will be shared, without attribution, with the Executive by the Board Chair for information and possible action.

The Board of Directors may, by resolution, move in camera to consider the following:

- All matters relating to the salary or conditions of employment of the Executive Director
- Confidential personnel matters
- Matters where Board of Directors liability or legal opinions respecting the liability or interest of the Board may arise
- Matters relating to the acquisition, disposition or security of real property
- Matters where it is in the interest of the Association to move the meeting in camera

#### **XIV. Confidentiality of Board Affairs**

All matters discussed at Association Board of Directors meetings are confidential and are not to be disclosed to anyone outside the North End Business Association Board of Directors.

The Executive Director is the spokesperson for the Association particularly when speaking to the media. Directors are to refer all queries about the North End Business Association's stance on issues to the Executive Director.

Directors should, however, feel free to promote and support Association activities that they know are already in the public domain (e.g. via press releases, advertising, etc.).

In addition, as a means of assisting Directors with their "cheerleader" function, the Board of Directors may, at the end of each Board of Directors meeting, agree upon certain key messages that Directors can talk about publicly.

## **XV. Conflict of Interest**

Directors owe a fiduciary obligation and a duty of loyalty to the Association. The integrity of the Board of Director's decision-making may be comprised by a real or perceived conflict of interest on the part of any of its directors. Trust and confidence in the Board of Directors can only be sustained if all forms of conflict of interest are identified, disclosed and resolved.

A conflict of interest is:

- Any situation in which a director's private or personal interest may be incompatible or in conflict with their duties and responsibilities as a director of the North End Business Association
- Any situations where a director's membership in another organization may, or may be perceived to, influence their carrying out of duties and responsibilities as a director of the North End Business Association.

Situations of conflict of interest can arise from:

- Private/personal interests of a monetary or economic nature
- Non-economic interest such as religious, political, corporate or institutional interests that may take precedence over a directors duties and responsibilities
- Financial, economic and other interest that may provide a director with a personal benefit or avoidance of a financial lose
- The use for personal benefit of information that has been obtained as a result of being a director of the Association

A conflict of interest does not exist where:

- The interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the director, or where a pecuniary interest is in common with a Board or group of which the director is a member

### **Conflict of Interest Process**

The North End Business Association depends on the integrity of its directors to disclose their individual conflicts of interest if any. Directors will be asked to sign an Association Conflict of Interest Board of Directors Agreement at the time of their appointment or reappointment. A copy of this Agreement is attached as Appendix A.

A director who feels that he/she has or may have a perceived conflict of interest should declare the conflict and the general nature of the conflict at a board meeting (and/or committee meeting as the case may be) at the earliest opportunity. This declaration will be recorded in the minutes of the meeting.

If a director is unsure of whether he/she is in a conflict of interest, he/she should raise the matter with the Board Chair at the earliest opportunity. Similarly, if any director considers that another director has or may have a conflict of interest; he/she should raise the matter with the Board Chair.

If the director (with the potential or perceived conflict) and the Board Chair are unable to resolve the issue, the Chair of the Board will bring the situation to the Board of Directors

as a whole. The Board of Directors should determine by majority vote whether or not a conflict of interest exists. Of course, the director involved should refrain from voting on the existence of a conflict.

If a director has declared or has been found to be in conflict of interest, he/she must:

- Withdraw from a Board of Directors or committee meeting while the matter is being discussed and voted upon to ensure that he/she does not participate in the discussion or vote on the related matter
- Not attempt in any way before, during or after the meeting to influence the voting on the related matter.

If a director is found to be in a conflict of interest but has not declared it, the Board of Directors may:

- Issue a verbal or written reprimand
- Request that the director resign

## **XVI. Board of Directors and Executive Director – Ethical Values and Code of Conduct**

The Board of Directors is responsible for setting the ethical standards for the Association. These ethical standards are supported by the following Code of Conduct for the Board of Directors and the Executive Director. The Executive Director has the responsibility to establish a Code of Conduct for Association employees, which Code must be consistent with the ethical values established and the Board of Directors/ Executive Director Code of Conduct set out herein.

### **i. Ethical Values for Directors and the Executive Director**

Directors and the Executive Director are expected to demonstrate:

- Integrity
- Honesty
- Probity
- Prudence
- Impartiality
- Equity
- Selflessness
- Discretion
- Public trust

### **ii. Code of Conduct for the Board of Directors and the Executive Director**

The fundamental relationship between a Director or the Executive Director and the Association must be one of trust; essential to trust is a commitment to honesty and integrity.

Therefore, neither director nor the Executive Director shall:

- Commit or condone an illegal act or instructor encourage another director, employee, partner or supplier to do so
- Create or allow the creation of a false record
- Engage in or give the appearance of being engaged in any illegal or improper conduct

A director using the Commission's electronic mail system will be expected to comply with any internal policies and procedures that guide the storage, use and transmission of information through this medium.

Directors, and members of their immediate families, should not accept entertainment, gifts or favours that create or appear to create a favoured position for contractors or suppliers doing business with the Association. Any firm or business offering such inducements must be advised to discontinue this practice immediately; a sustained business relationship will be conditional on compliance with this Code.

Directors may not offer gifts or favours in order to secure preferential treatment for the Association.

Directors may generally accept gifts, hospitality or other benefits associated with his/her official duties and responsibilities if such gifts, hospitality or other benefits:

- are within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality;
- would not bring suspicion on the director's objectivity and impartiality, and;
- would not compromise the Company's integrity.

Consequently, business lunches, the exchange of modest items between business associates, the presentation of small tokens of appreciation at public functions or an inexpensive memento are acceptable. Entertainment, such as business lunches, should be reasonable and never lead to a sense of obligation. As a rough guide, the directors and the Executive Director should not accept any entertainment that could not be justified on a Commission expense statement were they offering it rather than receiving it.

Unusual offers or entertainment or gifts must be disclosed by the recipient of the offer to the Board Chair. The Board Chair and the recipient will attempt to resolve the matter. If they cannot, the matter will be brought to full Board of Management's attention for resolution before acceptance of any entertainment or gifts.

Full and immediate disclosure of, or enquires with respect to, borderline cases to any of the Chair, the Executive Director or the Chair of the Governance and Nominations Committee will always be taken as good-faith compliance with this Code.

From time to time, directors or the Executive Director may hold positions of leadership in non-profit associations where they may be viewed as spokespersons for those groups. In such situations, directors or the Executive Director should ensure that they are seen as speaking for such groups or individuals and not as a spokesperson for the Commission.

A director or the Executive Director must notify the Board Chair before accepting any other directorship or any position of authority on an entity that might benefit from or be in conflict with the Commission.

A director or the Executive Director will not engage in any activity or accept any appointment that is an embarrassment to the North End Business Association.

Use of the North End Business Association's resources by the directors and the Executive Director should be limited to the business of the Association.

A director will not use information obtained as a result of acting as a director for personal profit or as the basis for a tip to others unless the information has been made generally available to the public.

iii. Monitoring the Application of the Values and the Board of Directors/ Executive Director Code of Conduct

At the time of their appointment or reappointment, Directors and the Executive Director will be required to sign an agreement acknowledging receipt of a copy of the standards and the Board of Directors/Executive Director Code of Conduct and confirming their agreement to abide by them. A copy of this agreement is attached in Appendix B.

Directors of the Association and the Executive Director are asked to review the Association's ethical standards and the Board of Directors/Executive Director Code of Conduct periodically throughout their term. They are expected to discuss with Board Chair



any circumstances that may have arisen that could be an actual or potential violation of the standards or Code.

A director or Executive Director who requires advice or who suspects improper activities has a responsibility to seek clarification or to report the suspicion to the Board Chair.

The Governance and Nominations Committee will monitor the application of the ethical standards, the Board of Directors/Executive Director Code of Conduct and the conflict of interest policy, including the annual disclosure/acknowledgement agreements required from the directors and the Executive Director.

**XVII. Board Size**

The Board of Directors shall consist of not less than eight (8) and not more than fourteen (14) people.

**XVIII. Director Nominations – Criteria and Process****i. Criteria for Nomination to the North End Business Association’s Board of Directors**

Individuals being considered for nomination as a director of the North End Business Association should meet the following criteria:

- Member in good standing
- Ability to meet the time commitment required
- Business or professional experience in sectors related to the Association’s Mission
- Ability to work well in a team environment
- Competencies (expertise or abilities) aligned with the strategies and needs of the organization (e.g. high level of financial literacy)
- Representative of Association’s stakeholders
- Demonstrated high ethical standards/integrity

**ii. Nominating Process for Directors**

It is critically important for the effective governance of the North End Business Association to appoint the right people with the right backgrounds who can work well together in the best interest of the organization. Association directors are nominated by a Nominating Committee. The following outlines the process to be undertaken internally that culminate in the appointment of Association Directors.

**Part 1 –North End Business Association Internal Process**

- Past Chair forms a Nominating Committee (if there is no past chair, the Chair would form the Committee)
- Names can be submitted by the Executive Director and members of the Board of Directors
- The Nominating Committee submits the list of potential nominees to the Board of Directors for review
- The Nominating Committee reviews the complete list and forms recommendations
- Potential Board of Management Members are approached regarding interest and commitment

**Part 2 – The North End Business Association’s External Process**

- At the Annual General Meeting of the Members the Nominating Committee presents the Nominating Committee report for approval by the Members

## **XIX. Terms for Directors and Officers**

### **i. Directors**

A person's term on the Board of Directors shall be for no more than two (2) years. Members of the Board of Management who are not Officers shall be entitled to serve no more than two (2) consecutive terms for a total of four (4) years prior to resignation or retirement. Not less than one-third of the Members of the Board of Directors and not greater than one-half of the Members of the Board of Directors shall have terms expiring on March 31<sup>st</sup> of each year.

### **ii. Officers**

The Officers of the Commission shall be the Chairperson who shall preside at all Meetings of the Board of Directors and Executive Committee (where the Board of Directors determines to create an Executive Committee), a Vice-Chairperson, Secretary/Treasurer, and in the discretion of the Members of the Board of Directors, one or more other Officers and/or Assistant Officers as may be deemed necessary or advisable to assist with carrying on the business and/or undertakings of the Association. All Officers and/or Assistant Officers shall be elected from amongst the Members of the Board of Directors on a simple majority vote for periods of ordinarily not less than two (2) years. The Board of Directors shall have the authority to extend the term of office for any Officer and/or Assistant Officer for not more than two (2) years in each of the aforementioned positions. Any two (2) or more Offices may be held by the same person. Any Officer and/or Assistant Officer may be removed from his or her Office at any time with or without cause, by simple majority vote of the remainder of the Members of the Board of Directors. The Executive Director of the Commission shall be an *ex officio* member of the Board of Directors, the Executive Committee (where this has been created) and every Committee associated therewith but shall not vote upon the transaction of any business.

### **iii. Succession**

The Board of Directors may select and appoint the Members to an Executive Committee. It is generally accepted that under normal circumstances the previous year's vice-chair will become the current year's chair.

## **XXI. Board Work and Agenda Planning**

### **(a) Annual Planning of the Board's Work**

The Board will annually set objectives for its own work.

This goal-setting activity will occur after the results of the Board of Management's evaluation for the preceding year are known and during the period of the year when the annual business plan for the organization is being developed.

The annual objectives established by the Board will then form the basis of assignments to Board of Management committees.

### **(b) Annual Planning of Committees' Work**

The role of Board of Management committees is to assist the Board of Management in accomplishing its work. Once the Board of Management's annual objectives are identified, the Executive Committee will assign responsibility for specific objectives to specific committees.

Each Board of Management committee will then be asked to develop a tentative work plan for the year. This work plan will provide the Board Chair with a sense of when each Committee expects to bring recommendations back to the Board for consideration. The Board of Management's macro agenda for the year can then be developed.

### **(c) Macro Agenda for the Board**

It is the responsibility of the Board Chair, in conjunction with the Executive Director, to plan the agendas for Board of Management meetings. As soon as the Committee's work plans are known, the Chair will distribute a macro agenda for the upcoming year that describes when particular matters will be brought before the Board of Management.

Obviously, there is a need for a certain degree of flexibility with respect to the macro agenda. However, it is a useful tool for ensuring that the Board of Management's work is well distributed throughout the year and that its specific objectives will be achieved.

**XXII. Board Committees****(a) Executive Committee**

The Chairperson, Vice-Chairperson, Secretary/Treasurer, Member at Large(s) and Past Chair shall constitute the Executive Committee, which Committee shall exercise all of the powers of the Board of Management consistent with these By-Laws and the Memorandum of Association of the Commission, with the exception of those powers which are expressly reserved to the exclusive authority of the Board of Management.

**(b) Governance Committee**

Meets annually to review By-laws and recommend changes.

**(c) Nominating Committee**

Meets annually to recommend replacement of Board of Management Members.

**(d) Human Resources Committee**

Meets at least annually to review current staff and as needed to discuss other Human Resource related matters.

**(e) Other Committees**

The Board of Management may create as many other Committees or Project Teams as it deems necessary. The Chairperson of each Committee and/or Project Team shall be appointed by the Chairperson of the Board of Directors. Each Committee and/or Project Team shall have the authority to take such action as is delegated to it by the Board of Directors with the exception of such actions as are in conflict with the By-Laws or the Memorandum of Association of the Commission or of the set policies of the Commission as they may be from time to time. Members of any such Committee and/or Project Team shall be appointed by the respective Chairperson thereof.

**XXIII. Board Orientation and Education****(a) Orientation**

There will be a mandatory orientation process for each new NEBA director. This will include:

- A meeting within the first three months of their term with new directors, the Board Chair and the Executive Director to review the governance manual, the Mission of the Commission, an overview of NEBA's operations and to respond to any questions.

## Appendix A - Conflict of Interest Board of Management Agreement

The North End Business Association has adopted a conflict of interest policy to assist the Directors in carrying out their duties and responsibilities in an ethical manner while also protecting the integrity of the Board of Management as a whole.

I confirm that I had read and understand the conflict of interest policy applicable to the North End Business Association Board of Management. I accept that conflicts may be real or perceived. To avoid real or perceived conflict of interest situations, I agree that I will:

- Declare a conflict of interest and the nature of the conflict, at the earliest opportunity to the Board of Management; if I declare a conflict before a Board of Management meeting, I shall do so to the Chair
- Ensure the conflict is recorded in the minutes
- If unsure whether there is a conflict, raise the issue with the Board of Management according to the procedure defined in the policy and refrain from voting on the existence of a conflict (or lack thereof)

Where a conflict exists, I agree to:

- Withdraw from the Board of Management of Committee meeting while the matter is being discussed and/or voted upon
- Not attempt in any way before, during or after the meeting to influence the voting
- Not discuss anything in relation to any decision taken on the matter outside the Board of Management meeting

As a Director of the North End Business Association, I understand and accept that if I violate the conflict of interest policy in any way, the Board of Management may exercise one or all of the following options:

- Issue me a verbal or written reprimand
- Accept my resignation from the Board of Management

I, \_\_\_\_\_, hereby agree to abide by the North End Business Association, Conflict of Interest policy for Directors at all times in exercising my responsibilities as a Director.

Signature of Director: \_\_\_\_\_

Date: \_\_\_\_\_



**Appendix B – Board of Management/Executive Director Code of Conduct**

The North End Business Association Intends to do everything in its power to establish an excellent reputation in the community for its integrity and performance. In support of this positive image, the Association expects and requires Directors to demonstrate the highest standards of ethical conduct as an individual and a Member of the Board of Management.

As a Director of the North End Business Association, I hereby commit myself to the highest ethical conduct as an individual and a member of the Board of Management and will strive at all times to conduct myself in a manner that reflects positively upon the Commission.

I confirm that I have read and understand the Code of Conduct for Board of Management/Executive Director. I agree to comply fully with the letter and spirit of this Code.

I agree to bring any instances of violations of the Code of Conduct to the Chair for resolution; and if the Chair is in violation, to the Board of Management as a whole, following those procedures specified in the Code of Conduct.

I accept the consequences of any of my actions that violate the Code of Conduct, which can include but are not limited to verbal or written reprimands or acceptance of my resignation.

I, \_\_\_\_\_, hereby agree to abide by the North End Business Association Code of Conduct for Board of Management/Executive Director at all times in exercising my responsibilities as a Director.

Signature of Director: \_\_\_\_\_

Date: \_\_\_\_\_