

- The Foundation will maintain a safe storage location off-site to store back-up electronic files and documents.
- The board's Minute Books, Letters Patent and all Revised Letters Patent dating to the Foundation's inception are kept in a locked fireproof cabinet on-site.
- The minutes of all Program Advisory Committee meetings are retained on-site (if three years old or less) or in off-site storage (if greater than three years old).
- The notes of in camera meetings are kept in a separate file in a locked fireproof cabinet on-site.

## **PART III: MEMBERSHIP**

### **4. FOUNDATION MEMBERSHIP**

The Foundation's bylaws define three classes of membership:

- Life member
- Board member
- Standing committee member

#### **4.1 Appointment of Members**

The Board of Directors appoints members for a specific term. These members serve on the board and/or on a board committee, and the term of their membership is coterminous with their service.

The board also has the discretion to appoint life members. Life members are not required to serve on the board or a board committee.

See Appendix 1 for a list of current members.

#### **4.2 Life Members**

Life membership has been granted to, among others, the applicants for incorporation and the children and grandchildren of Mr. R. A. Laidlaw.

The board may admit an individual as a life member to recognize circumstances of special merit.

Directors and volunteer advisors can only be considered for life membership following the completion of their term.

#### **4.3 Duties of Members**

Members receive notices of the annual general meeting and any special meetings, elect the Board of Directors, and review and approve the financial statements of the Foundation.

The duties and responsibilities related to a member's position on the board or on a board committee vary; please see the relevant sections of this manual for details.

## **PART IV: DIRECTORS, OFFICERS, EXECUTIVE DIRECTOR**

### **5. BOARD OF DIRECTORS**

#### **5.1 Governance Principles**

Guided by the vision and values of its founders, the Laidlaw Foundation's Board of Directors is committed to the highest standards of integrity, accountability and excellence in governance. This is a governing board that establishes the organization's vision, mission and strategic priorities and sets Board policies.

The board is conscious of its role as a custodian of community and public trust and a steward of the Foundation's assets and resources.

The board operates within an inclusive, anti-racist, and anti-colonial framework to direct, guide and inspire the Foundation through deliberation and the establishment of strategic direction, policies and oversight.

The board establishes appropriate governance and risk management strategies so as to deliver Laidlaw's strategic objectives and outcomes, protect its assets and reputation, and promote and sustain its mission.

The board enforces upon itself and its members the practices needed to govern with excellence, including support for the Foundation's mission, goals and values; attendance; policy-making principles; respect of roles; speaking with one voice; and monitoring and correcting any deviation from governance adopted in board policies.

The board establishes and respects the distinctions between board and staff roles in a spirit of collegiality and partnership that supports and maintains appropriate lines of accountability.

The board ensures all business is conducted in a transparent, legal and ethical manner and is accountable to Laidlaw's stakeholders for competent, conscientious and effective accomplishment of its obligations. It will allow no officer, individual or committee of the board to usurp this role or hinder this discipline.

The board respects and encourages each board member's right to voice their views, issues, opinions and concerns, conducting business in accordance with principles of fair play and proper process.

The board monitors and regularly self-evaluates processes, progress and performance, ensuring continuity of board improvements and structured board development.

## 5.2 Expectations and Qualifications

Directors are expected to make the following commitments:

- Attend quarterly board meetings and 1–2 weekend retreats a year.
- Attend the annual general meeting in June.
- Actively participate on at least one board committee.
- Represent the Laidlaw Foundation in the community.

Based on the skills and knowledge needs of the board, as identified by the Director Capability and Knowledge Self-Assessment Survey (Appendix 5D), directors will also:

- Support the Foundation’s mission, vision and values.
- Display intelligence leavened with sensitivity to people and social problems.
- Demonstrate objectivity and impartiality.
- Offer special skills e.g., in governance, investment, finance, law.
- Demonstrate a capacity for teamwork.
- Be willing to give time and thought to the Foundation's affairs.

Qualifications for serving as a director include:

- A commitment to the Laidlaw Foundation’s mission, vision and values and an appreciation of youth.
- A personal commitment to devote time and resources to carrying out the duties and responsibilities of a director.
- Strong communication and collaboration skills.
- Non-profit board experience (preferred).
- Previous experience with the Laidlaw Foundation (an asset).

In addition, all directors must:

- Be 18 years of age or older.
- Be in sound personal financial standing.
- Reside in Ontario (preferred).

## 5.3 Recruiting Knowledgeable and Representative Directors

Board members must have the knowledge and range of expertise to effectively govern the Foundation and ensure its work is broadly representative of its focus.

Each board member will be asked to complete the Director Capabilities and Knowledge Survey (Appendix 5D) when they join the board and once every three years thereafter. This survey will provide the Governance and Recruitment Committee with a general overview of the capabilities and knowledge resident with the board. Results will support the board recruitment process by identifying gaps and emerging capabilities requirements and will help build a balanced demographic profile. On an ongoing basis, directors and volunteers will be recruited to enhance the depth and demographic profile of the board.

## 5.4 Onboarding of New Directors

New directors will participate in an orientation and onboarding session that will include the following:

- Program orientation
- History of the Foundation
- Strategic direction

- Finance and investment
- Organizational structure
- Board operations
- Roles and responsibilities of individual board members
- High-level overview of philanthropy in Canada

Each new board member will receive an information package that includes the following:

- The Board Manual
- The Foundation's bylaws
- The Foundation's current strategic plan
- A list of current board members
- Key dates
- Contact information for Foundation staff

New board members will be offered development and mentoring opportunities. New board members cannot chair a committee of the board in the first year of their first term but are expected to join a committee to learn more about the operation and business of the Foundation.

## 5.5 Duties of Directors

Directors have a **fiduciary duty** to act on behalf of, and solely in the interest, of the Foundation. Directors are obliged to act in the public interest and avoid situations in which their own personal interests are put above—or are seen to be put above—those of the Foundation. Directors cannot use their position with the Foundation for their own benefit.

Directors are accountable to the Foundation's members, its partners, its grantees, the Canada Revenue Agency (CRA), and the Ontario Ministry of the Attorney General. They are also accountable to one another and to the Foundation's stakeholders for their conduct, performance and exercise of respect.

The **duty of care and diligence** speaks to a director's duty to act with the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A reasonably prudent director will, among other things, do the following:

- Make every effort to understand and support the Foundation's mission.
- Ask how proposals and decisions advance the Foundation's mission, and how progress will be measured.
- Commit to strategic planning and visioning.
- Work to understand program goals and objectives, and the context and implications of matters that are before the board, and seek clarification when required.
- Support the Foundation's leadership while exercising critical judgment on policy matters.
- Express her/his views in debate but listen to other directors' points of view.
- Support the decisions of the board once a matter has been debated and resolved.
- Commit to a good attendance record at board and committee meetings.
- Declare conflicts of interest—real, potential or perceived.
- Respect the distinct and separate roles of governance and administration.
- Respect confidentiality of discussions and documents.
- Exercise good fiscal stewardship.

## **5.6 Board Responsibilities**

### **Establishing expectations**

Directors must make collective decisions in the context of the Foundation's mission and focus on what will best help the Foundation achieve that mission. Directors are expected to engage in dialogue about policy. Directors approve all strategic program goals and objectives.

### **Monitoring results**

The board must ensure that programs are reviewed and evaluated periodically to assure itself that program objectives are achieved through continuous learning and assessment.

### **Ensuring effectiveness and efficiency**

The board must assure itself that procedures are in place to make effective and efficient use of resources.

## **5.7 Code of Board Conduct**

As adherents to high standards of stewardship, directors of the Laidlaw Foundation are committed to the following general principles, which are hallmarks of Laidlaw Foundation board service: mutual respect, trust, openness and candid dialogue regarding the Foundation's affairs. In addition, directors are active and informed ambassadors for the organization's mission and goals.

Directors are expected to adhere to the Code of Board Conduct in addition to the Foundation's general Code of Conduct and Ethics (Section 3.2).

### **Confidentiality**

Board deliberations, discussions with employees, and the disclosure of information received from other sources are governed by strict standards of confidentiality.

### **Appropriate exercise of individual authority**

Board members do not compromise the organization's integrity by taking unilateral action that exceeds their authority or that might harm the organization. For instance:

- Directors' interactions with Laidlaw Foundation officers or employees must recognize the lack of authority in any individual director or group of directors, unless such authority is expressly stated in board policy.
- Directors' interactions with the public, the press or other entities must recognize the same inability of any director or directors to speak for the board.
- Individuals directors shall refrain from judging the performance of officers and/or employees of the organization except at such times and in such ways as prescribed in written Foundation policies.

### **Conflict of interest procedures**

In addition to the general Conflict of Interest policy (Section 3.3), directors have a fiduciary duty to the Foundation that requires that the interests of that organization come first. Almost inevitably, however, a board member's other involvements (business interests, family relationships, political or charitable interests) make it difficult or even impossible to provide disinterested advice to the organization at all times. Conflicting loyalties of this sort—especially those that involve financial interests—may create conflicts of interest. A conflict may arise if there is the possibility or perception of personal gain to a director through a Foundation grant, contract or purchase.

The Laidlaw Foundation's board members are active in the life of their communities. When potential or perceived conflicts of interest arise, it is the Laidlaw Foundation's policy to deal with them swiftly, openly and fairly.

Potential and actual conflicts of interest should be stated and discussed at the outset of each meeting. Directors who declare a conflict of interest may be asked to refrain from participating in the discussion of any grant, contract or purchase order that may have a conflict with and must refrain from voting on it.

### **Ensuring activities are prudent, ethical and legal**

The board must assure itself that the Foundation's activities are exercised in a prudent, ethical and legal manner.

### **Active participation**

Directors are expected to regularly attend and actively participate in Foundation board meetings, and to serve on one or more board committees.

### **Assessment of board performance**

The board will continually assess its own performance as a board and will formally evaluate itself at least once every two years (see Appendix 5C, Board Self-Evaluation Tool).

Each director shall have the opportunity annually to review his/her board assignments with the Chair of the Board, to review continuing responsibilities.

### **Balancing gender, race, ethnicity, disability and age**

The board should ensure that the Foundation's board, committees and program decisions reflect the diversity of the population in the Greater Toronto Area.

### **Fiscal stewardship**

The board shall approve a total expenditure level in the fall of each year for the next year based on recent patterns of real rates of return on its investments, program requirements, the administrative budget and capital requirements.

The board shall also:

- Approve the draft audited financial statements for presentation to Members.
- Approve all significant financial decisions (e.g., recruitment and employment contract of the Executive Director, office lease, appointment of investment managers) as per the Finance Procedures (Appendix 7).
- Recommend the appointment of the Foundation's auditor for the approval of the Members at the annual general meeting or a special meeting.
- Ensure that the Foundation has adequate accounting systems and procedures with appropriate internal controls.

## **5.8 The Board's Relationship to the Executive Director**

The board delegates to the Executive Director responsibility for program management, administration and financial accountability. The board's role is to focus on major policy issues and not issues of management and administration.

The board, with the support of the Executive Committee (Section 8), hires and oversees the performance of the Executive Director, including:

- Compensation (salary, benefits, retirement contribution, perquisites, paid sabbatical)
- Orientation of a new Executive Director
- Annual performance review (see Section 7.9)
- Approval of expenses

## **5.9 Board Membership and Operations**

### **5.9.1 Number and Composition of Directors**

The maximum number of directors is 12. At least three directors must, if at all possible, be members of the R. A. Laidlaw family, but the majority of directors shall always be non-Family members.

### **5.9.2 Term**

Directors will serve for three years, and the term is renewable once.

Director terms are staggered to ensure continuity. A staggered board is comprised of directors who have different, overlapping, multi-year terms, so that not all of the directors' terms expire in the same year. In any given year, no more than one quarter of the board is elected.

As specified in Bylaw section 2.9 , the board may appoint a member to fill a vacancy until the next annual general meeting.

### **5.9.3 Board Meetings**

The board will meet no fewer than four times per year. Foundation employees may attend board meetings, with the exception of in camera meetings.

### **5.9.4 Quorum**

The quorum for board meetings is seven.

### **5.9.5 Attendance Policy**

Attendance at board meetings will be reviewed annually with the Chair of the Board and the Chair of the Governance and Recruitment Committee.

In addition, the Chair of the Governance and Recruitment Committee will consult with any director who misses two meetings in a board year, and review with this director whether they should continue to serve on the board.

The board does not normally approve a leave of absence for directors.

### **5.9.6 In Camera Meetings**

Generally, Foundation staff and students will be asked to leave a meeting when the board moves in camera to conduct the following items of business:

- Personnel issues
- Performance review of the Executive Director
- Program budget allocations

As good governance practice, the board will have the opportunity for an in camera session at the end of each meeting. The board can choose to ask employees to attend in camera sessions.

#### **5.9.7 Committees of the Board**

The standing committees of the board include:

- Governance and Recruitment Committee
- Investment Committee
- Finance and Audit Committee
- Board Granting Committee
- Laidlaw Family Committee
- Executive Committee

Advisory Committees, regular and ad hoc, are formed as needed (see Section 13).

#### **5.9.8 Appointment of Committee Members, Chairs and Vice-Chairs**

The board will annually appoint and/or affirm the members, chairs and vice-chairs of all of its standing committees on the recommendation of the Governance and Recruitment Committee. It will also seek input on the appointment of members to its advisory committees.

Only directors may serve as chairs and vice-chairs of board committees.

Where at all possible, those who express an interest in joining the Foundation's board but are not selected will be invited to join committees based on their expertise and the committee needs. Committee members who are not also directors shall be considered as potential candidates for the board with highlighted expertise in Laidlaw committee business.

#### **5.9.9 The Role of Committee Chair**

The chair of any board committee facilitates free, inclusive and generative discussions and ensures that all members have the opportunity to speak up and participate in meetings. Committee chairs will have one vote.

#### **5.9.10 Circulation of Board and Committee Minutes**

Consistent with the Foundation's principle of transparency, board and committee minutes will be provided, on request, either electronically or in hard copy, to Foundation Members and the public.