

# CADTH BOARD OF DIRECTORS CHARTER

## 1. Purpose of Charter

The Board Charter sets out the accountability, role and responsibilities, composition, and processes of the CADTH Board of Directors (herein the Board).

## 2. Accountability

The Board is the primary governing body of CADTH and is accountable to the Members of the Corporation, who are the Deputy Ministers of Health for participating federal, provincial, and territorial governments.

The Board is accountable for the stewardship of the organization, for setting its strategic direction and establishing strategic priorities, for upholding the organization’s vision and values, for ensuring financial accountability to its Members, and for ensuring the long-term viability of the Agency and to ensure the organization adds value to the jurisdictions through the evidence assessment of drugs and other health technologies.

The Board is subject to the provisions of the *Canada Not-for-profit Corporations Act* and frames its policies and functions in accordance with its Articles of Incorporation, its bylaws, and the wishes of its Members. In the case of a conflict between this Charter and the Agency’s bylaws, the bylaws will prevail.

## 3. Key Board Responsibilities

Area of responsibility	Description	Supporting materials
<b>Legal and fiduciary</b>	<ul style="list-style-type: none"> <li>Monitoring compliance with all legal and regulatory obligations.</li> <li>Ensuring CADTH operates within the scope of its governing frameworks including its bylaws, policies, Board Charter, and committee terms of reference.</li> <li>Conducting itself in an ethical manner through appropriate disclosure practices and internal controls.</li> </ul>	Certificate of Compliance Risk Management Policy and Process Board of Directors FAQ
<b>Strategic planning, vision, and strategic goal</b>	<ul style="list-style-type: none"> <li>Setting the CADTH vision, strategic goals, and core values.</li> <li>Setting the strategic direction of CADTH to ensure it meets the needs of its Members.</li> <li>Approving the Strategic Plan.</li> <li>Monitoring and ensuring implementation of the strategic direction by the CEO and management team.</li> </ul>	Strategic Plan CEO update to the Board Semi-annual progress reports Annual performance infographics
<b>Financial planning/ oversight/ reporting</b>	<ul style="list-style-type: none"> <li>Providing input to and approving the annual business plan and budget, and understanding the major business assumptions and risks.</li> <li>Monitoring progress against the business plan and budget.</li> <li>Approving any expenditure outside the approved budget.</li> <li>Ensuring appropriate financial auditing and reporting.</li> <li>Providing financial oversight and ensuring the financial viability of CADTH.</li> <li>Ensuring procurement is conducted in a fair, competitive, and transparent fashion.</li> </ul>	Business plan CEO update to the Board Signing authority policy Procurement policy Quarterly financial statements Annual audit plan and audited financial statements
<b>Risk identification and management</b>	<ul style="list-style-type: none"> <li>Ensuring policies and processes are in place to identify, assess, monitor, and manage risks (e.g., legal, ethical and reputational), and to indemnify the organization, the</li> </ul>	Conflict of interest policy Risk Management Policy and Process

Area of responsibility	Description	Supporting materials
	Board, and employees from potential risks and liabilities. <ul style="list-style-type: none"> <li>Ensuring that an appropriate conflict of interest policy is in place.</li> <li>Approving, adopting, and ensuring the implementation of Board governance policies.</li> </ul>	Issues and Crisis Communications Policy
<b>Performance Evaluation</b>	<ul style="list-style-type: none"> <li>Monitoring and assessing organizational performance to ensure value for money for CADTH Members through the evaluation of drugs and other health technologies.</li> <li>Appointing, providing oversight, and evaluating the President &amp; CEO, and ensuring appropriate succession planning.</li> <li>Assuming responsibility for regularly evaluating its own performance and that of its Committees and its individual Directors.</li> <li>Ensuring the ongoing health and effectiveness of the Board and the education of Board members.</li> </ul>	Independent evaluation CEO annual performance review process Semi-annual progress reports Annual performance infographics Annual Board assessment Regularly scheduled development sessions Exit interviews with departing Directors
<b>Key interfaces</b>	<ul style="list-style-type: none"> <li>Creating and maintaining an open and engaging relationship with its Members.</li> <li>Listening to and being responsive to its customers and to its program committees.</li> <li>Ensuring CADTH communicates appropriately with its stakeholders.</li> <li>Contributing to the maintenance of strong partners, and stakeholder and industry relations.</li> </ul>	Government relations plan (in development) Board communications plan (in development)

## 4. Composition (CADTH Bylaws: Article 5)

The Board is composed of thirteen (13) Directors elected by the Members of the Corporation; six (6) non-jurisdictional members, including the Chair, and seven (7) jurisdictional members representing federal, provincial, and territorial members. Collectively, the Board will endeavour to reflect the diversity of the country's population; represent a broad distribution of knowledge, skills, and expertise; and achieve regional and gender balance.

### 4.1 Board Chair

The Board Chair is a non-jurisdictional Board member and independent of CADTH's Members insofar as he/she is not an employee of any federal, provincial, or territorial government. The Chair is elected by and accountable to the Members of the Corporation.

### 4.2 Vice-Chair

The Vice-Chair is a Jurisdictional Director appointed by the Board from among the directors.

### 4.3 Jurisdictional Directors

Jurisdictional Directors are elected by the Members on the basis of nominations from the Members and shall normally be a senior employee of a federal, provincial, and territorial Department/Ministry of Health, reflecting a complementary mix of knowledge, skills, and experience in the health sector.

### 4.4 Non-Jurisdictional Directors

Non-jurisdictional Directors are elected by the Members from the healthcare system, academia, and the general public, and reflect a complementary mixture of knowledge, skills, and experience.

## 4.5 President & CEO

The President & CEO is an ex-officio, non-voting member of the Board and also serves as the Secretary-Treasurer of the Corporation.

## 5. Board Member Responsibilities

Each Director is responsible to act honestly, in good faith, and in the best interest of CADTH and assist in exercising the duties and responsibilities of the Board and, in so doing, support CADTH in fulfilling its mission and discharging its accountabilities.

The Board has adopted a code of conduct to be reviewed at 3-year intervals and, as necessary, revised by the Board. The *CADTH Board of Directors Mutual Commitments on Conduct* sets the ethical and behavioural standards expected of all Directors; ensures that jurisdictional and non-jurisdictional Directors — while bringing to the Board diverse backgrounds, skills and experiences — have an equal voice and equal representation on the Board; and provides a framework for Board member responsibilities.

### 5.1 Responsibilities of all Board Members

Directors will:

- regularly attend meetings and come prepared to fully participate in the discussions
- collectively own the agenda and the meeting outcomes
- be active listeners and participants in Board discussions and provide an opportunity for all other members to participate in discussions
- actively engage in the Board orientation, educational, and evaluation processes
- contribute to the consensus decision-making process adopted by the CADTH Board
- serve on a Board committee or task force, as requested
- debate issues, and share ideas and opinions, in an atmosphere of candour, mutual respect, and courtesy
- bring a personal, jurisdictional, and/or sector perspective to enrich Board discussions while retaining fiduciary responsibility for the organization as a whole and, once a decision has been made, actively supporting the decision, ensuring that the Board speaks with one voice
- respect the confidentiality of information, discussions, and materials to which they are privy when carrying out their duties
- champion CADTH and its work among its constituencies and the public
- work collectively, channelling inquiries about operational matters through the Chair.

### 5.2 Board Chair

In addition to the responsibilities of all Directors, the Board Chair is also responsible for:

- setting the style of leadership and communicating through their own actions, commitment to the CADTH vision, strategic goals, and values
- ensuring the integrity and effectiveness of the Board's governance role and processes
- facilitating effective review, analysis, and discussion at Board meetings
- presiding at meetings of the Board; should the Chair be absent from a meeting, the Vice-Chair of the Board shall chair that particular meeting

- acting as an ex-officio member on all Board committees and task forces
- ensuring effective communication and maintaining effective relationships with individual directors, senior management, Members, and stakeholders
- serving as the official spokesperson for the Board on matters of corporate governance; the President & CEO is the official spokesperson for the organization
- representing the Board in matters requiring consideration by the Conference of Deputy Ministers
- representing the Board in dealings with government and regulatory authorities, as required
- reporting on behalf of the Board to Members at each annual general meeting
- serving as the Board liaison with the CADTH Liaison Deputy Minister, who is appointed by the Members from among themselves and is responsible for communications and liaising between the Conference of Deputy Ministers and the CADTH Board.

### 5.3 Vice-Chair

In addition to the responsibilities of all Directors, the Vice-Chair is also responsible for performing the duties and exercising the powers of the Chair in the event the Chair is absent or is unable or refuses to act. The Vice-Chair is not the Chair-Elect.

### 5.4 Jurisdictional Directors

In addition to the responsibilities of all Directors, the Jurisdictional Directors will be responsible for interacting with the designated CADTH contact(s) for the jurisdiction(s) in their region that are not represented on the Board. The CADTH contact will be designated by the Deputy Minister of Health for the respective jurisdiction.

CADTH contacts will have access to the agenda and meeting materials in advance of each Board meeting via the electronic Board portal. Jurisdictional Directors will act as the Board liaison in their region for receiving any questions or feedback from the CADTH contact regarding Board materials and for soliciting jurisdictional feedback from time to time, as requested by the Board.

## 6. Observer to the Board (CADTH Bylaws: Article 5)

The Government of the Province of Quebec is entitled to appoint an observer to the Board, who will be provided with notices of Board meetings, the full meeting package, and minutes. The observer is not a member of the Board and, therefore, not entitled to vote. The observer is entitled to attend meetings and is encouraged to actively engage in discussions, and is subject to the Board Code of Conduct.

## 7. Officers (CADTH Bylaws: Article 8)

The Officers of the Corporation are the Chair of the Board, the Vice-Chair of the Board, the President & CEO, and the Secretary-Treasurer.

The President & CEO shall serve as the Secretary-Treasurer of the Corporation, unless otherwise determined by the Board.

The Board may appoint such other officers as it deems necessary from time to time, with such powers, rights, duties, and responsibilities determined by the Board.

## 8. Terms of Office (CADTH Bylaws: Article 5)

The Chair is elected by the Members for a 3-year term and may be re-elected for one additional term of office.

The Vice-Chair is appointed by the Board from among the Jurisdictional Directors for one 3-year term and may be re-appointed for one (1) additional term, as long as they continue to serve as Directors.

Directors are normally elected for an initial 3-year term. Directors may be re-elected for a second 3-year term. The initial term of Directors will be staggered to ensure Board continuity.

Upon expiry of the initial term of an Atlantic, Western, or Territorial Jurisdictional Director, the Members of these regions may nominate a Director from the other provinces/ territories within the region so as to provide for representation on a rotational basis.

While Jurisdictional Directors are normally elected for 3-year terms, their terms will end should they no longer be employees of the federal, provincial, and territorial Department/Ministry of Health.

## **9. Board Meetings (CADTH Bylaws: Article 7)**

The Board usually meets 5 times per year, primarily in Ottawa, Ontario, but also in the location of its Annual Symposium. Following the rapid adoption of virtual meeting technology in conjunction with the COVID-19 pandemic, a portion of meetings may continue to take place virtually. A special meeting of the Board may be convened by the Chair, Vice-Chair, or any 2 Directors at any time and due notice shall be provided.

Agendas and supporting materials for Board meetings will be sent out well enough in advance of the meeting to allow appropriate time for Directors to review the material. Board meeting dates will be confirmed well in advance to support member attendance.

Approved minutes of Board meetings constitute the authorized proceedings of the Board and are confidential to the members of the Board and CADTH senior staff.

Each Board meeting will include an in-camera session of Directors. Minutes of in-camera sessions will be recorded by a member of the Board present at the meeting and in accordance with the documented Board process for recording minutes of in camera sessions.

## **10. Decisions and Quorum (CADTH Bylaws: Article 7)**

A majority of Board-voting members, which must include the Chair or Vice-Chair, shall form quorum for the transaction of business.

Decisions of the Board shall ordinarily be decided by a consensus of the members present at the meeting. Should consensus not be reached, the Chair shall refer the question to be decided by a majority vote of the members. The Chair of the meeting shall not normally vote except in the event of a tie, in which case the Chair of the meeting may exercise a casting vote. All Board members will support a Board decision once it is made.

It is the Board's intent to function as a committee of the whole as much as possible. Should a Board decision be necessary between regularly scheduled meetings of the Board, electronic polling or an emergency teleconference of the Board will be conducted; or the Board may delegate its authority to the Chair, Vice-Chair, and the Chairs of the Board Standing Committees to make the decision and report the outcome to the Board as soon as possible.

## **11. Board Committees (CADTH Bylaws: Article 6)**

### **11.1 Standing Committees**

The Board shall establish a Finance and Audit Committee, and a Governance and Nominations Committee, and may appoint any other committee or committees, as needed, to assist the Board with its governance functions.

Each committee will operate according to Board-approved terms of reference. Committee terms of reference will be reviewed annually and, as necessary, revised by the committee for approval by the Board of Directors.

Committee Chairs and members are appointed by the Board upon the recommendation of the Board Chair from among the Directors. Each committee shall consist of a mix of jurisdictional and non-jurisdictional members.

## 11.2 Ad Hoc Task Forces

The Board may establish, as needed, ad hoc task forces to assist the Board with specific issues. The members will be appointed by the Board and the task force will operate according to Board-approved terms of reference. Ad hoc task forces will be dissolved once the issue the task force has been addressing has been resolved.

## 12. Conflicts Of Interest (CADTH Bylaws: Article 2)

All members of the Board shall comply with the CADTH conflict of interest guidelines. At the beginning of each Board and Committee meeting, an opportunity will be provided for members to declare any conflicts of interest.

## 13. Amendment

This Charter will be reviewed at 3-year intervals and may be revised by the Board at any time, as necessary.

**Approval Date: September 19, 2011**

**Last Review Date: March 22, 2021**