

BOARD MANUAL

SUBJECT: Executive Committee Terms of Reference	NO.: 2-A-12
SECTION: Structure, Roles and Responsibilities	
APPROVED BY: Board of Directors	DATE: June 28, 2023

1. Application

These terms of reference shall apply to the Executive Committee (the “**Committee**”) of the Cambridge Memorial Hospital (the “**Corporation**”). All capitalized terms not defined herein have the meaning set out in the Corporation’s Corporate By-Law.

2. Composition

(a) The Committee shall consist of the following voting members:

- (i) the Chair of the Board.
- (ii) the Vice-Chair of the Board.
- (iii) up to three (3) other Directors.

(b) Non-voting resources to the Committee will include:

- (i) the President and Chief Executive Officer.
- (ii) the Chief of Staff.

The Board appoints the Chair or the Vice as the Chair of the Executive Committee.

3. Meetings

The Committee shall meet at least two times annually, or more frequently as required. The Committee may conduct all or part of any meeting in the absence of management, and it is the Committee’s policy to include such a session on the agenda of each regularly scheduled Committee meeting. The Committee may invite to its meetings any Director, member of management or such other persons as it deems appropriate in order to carry out its duties and responsibilities. The Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

4. Specific Duties and Responsibilities

The Committee shall have the following responsibilities:

(a) Oversight of Executive Performance and Compensation

(i) General

- (a) satisfy itself, on behalf of the Board, that the Corporation's executive compensation strategy, plans, policies and practices are consistent with the sustainable achievement of the Corporation's objects, mission, vision, values and strategic plan, the prudent management of its operations and the risks to which it is exposed, and its adherence to its processes, policies, procedures and controls; and monitors the Corporation's compensation strategy, plans, policies and practices against an appropriate peer group.
- (b) review and recommend to the Board executive compensation policies and practices and review the Corporation's overall compensation philosophy to satisfy itself that (i) it appropriately rewards senior executives for their contributions to the Corporation; and (ii) that the compensation plans¹ are aligned with the performance targets.

(ii) Chief Executive Officer/Chief of Staff

- (a) review and recommend to the Board, if applicable, amendments to the position description for the Chief Executive Officer, which shall include their authorities and accountabilities; to present to the Board the corporate goals and objectives for which the Chief Executive Officer shall be responsible (which shall include all performance targets relevant to the compensation of the Chief Executive Officer).
- (b) monitor the Chief Executive Officer's performance relative to their goals and objectives including the performance targets and to formally evaluate his or her performance at least annually on behalf of the Board, which evaluation process shall be led by the Chair of the Board; to report the results of such monitoring and evaluation to the Board and the Chief Executive Officer; and to recommend to the Board the total salary and incentive compensation of the Chief Executive Officer in light of such evaluation. The evaluation of the Chief Executive Officer shall include, to the extent feasible, an assessment on behalf of the Board of the integrity of the Chief Executive Officer and the culture of integrity established by the Chief Executive Officer and other executive officers throughout the Corporation.
- (b) undertake succession planning for the position of Chief Executive Officer, and to provide information concerning such plans to the

¹ Such plans shall comply with the Excellent Care for All Act, 2010 (Ontario) and other applicable legislation

Board.

- (c) review and recommend to the Board all employment, severance and retirement agreements between the Corporation and the Chief Executive Officer.
- (d) review and recommend to the Board all material special benefits and perquisites for the Chief Executive Officer.
- (e) paragraphs (a) to (e) above apply to the Chief of Staff with necessary modifications.

(iii) Senior Executives² Reporting to the Chief Executive Officer

- (a) satisfy itself that the Chief Executive Officer has a process in place for the evaluation, including as to the conduct and ethics, of senior executives of the Corporation reporting to the Chief Executive Officer and any other executive officer whose compensation is disclosed pursuant to the Public Sector Salary Disclosure Act, 1996.
- (b) review in advance the general terms of any employment, severance, and retirement agreements between the Corporation and any employee who reports directly to the Chief Executive Officer.
- (c) satisfy itself that succession planning is in place for each senior executive and review the Chief Executive Officer's succession plans for such executives at least annually and report on such plans to the Board.
- (d) review plans for the development of senior executives of the Corporation.
- (e) review significant changes in the organization of the senior management positions of the Corporation.
- (f) review in advance all material special benefits and perquisites for senior executives reporting directly to the Chief Executive Officer.

(b) Reporting, Regulatory Requirements, Review

- i. monitor and review changes to major regulatory requirements relating to executive compensation and corporate governance (in the latter case, to the extent such requirements relate to executive compensation or any other matter relevant to the mandate and activities of the Committee).
- ii. report to the Board on material matters arising at Committee meetings

² "Senior Executives" is defined as the Vice Presidents at the Hospital

following each meeting of the Committee.

5. General

The Committee shall have the following additional duties and responsibilities:

- (a) maintaining minutes or other records of meetings and activities of the Committee.
- (b) having the authority upon approval by the Board to engage independent legal counsel, consultants, or other advisors with respect to fulfilling its responsibilities and the Hospital shall provide appropriate funding.
- (c) conducting an annual evaluation of the Committee in which the Committee (and/or its individual members) reviews the Committee's performance for the preceding year for the purpose, among other things, of assessing whether it fulfilled the purposes and responsibilities stated in the terms of reference.
- (d) reviewing and assessing the adequacy of the terms of reference at least every three (3) years and submitting any proposed amendments to the Governance Committee and the Board for approval.
- (e) performing such other functions and tasks as may be assigned from time to time by the Board.

DEVELOPED: June 12, 2010		
REVISED/REVIEWED:		
May 29, 2013	March 26, 2014	June 25, 2014
May 27, 2015	May 30, 2018	May 26, 2021
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