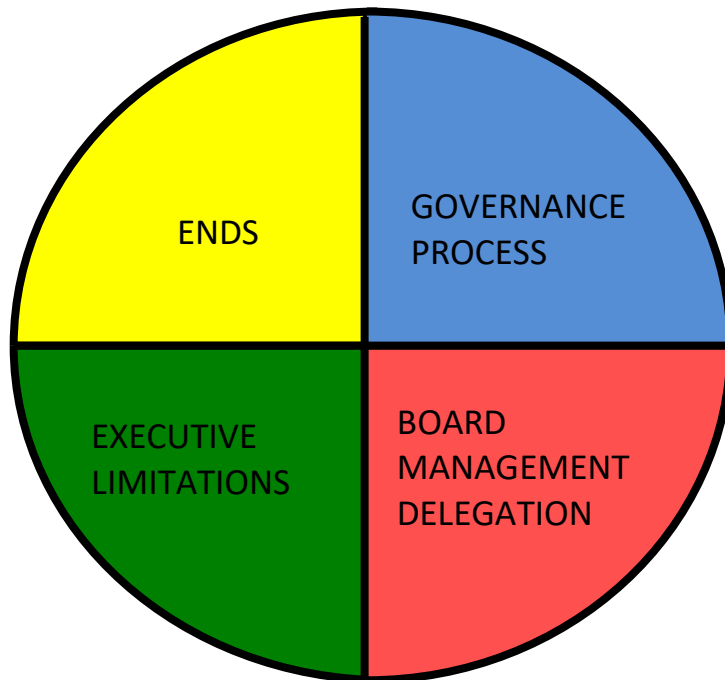


EHMA Board Policy Governance Manual

Version 1.0: September 2020



NOTES

1. No policy in this manual should be read in isolation from EHMA's Statutes (April 2018 updated version) which take precedence over this manual.
2. This manual belongs to the Board of EHMA and any policy in this manual may be added to, amended or deleted by the Board at any time.
3. No policy in this document should be read in isolation from the manual as a whole.
4. The policies in this manual express the Board's governing intent rather than its legal obligations.
5. Further EHMA policies, procedures and activities may be created by staff in accordance with the policies in this manual.
6. The policies in this Manual are not intended to have the force of law and should any conflict between the policies in this document and relevant legislation arise at any time, relevant legislation will take precedence.

POLICY INDEX

Ends 1.0. European citizens & communities benefit from health systems 1.1. Access to knowledge on effective health management 1.2. Development of knowledge and training 1.3. Research and development 1.4. Research findings are transformed into practice	Page 3
Executive Limitations 2.0. Overall Executive Limitation 2.1. Financial Planning and Budgeting 2.2. Actual Financial Condition 2.3. Asset Protection 2.4. Treatment of Other Agencies and the Public 2.5. Engagement and Treatment of Staff 2.6. Compensation and Benefits 2.7. Executive Director Succession 2.8. Board Communication and Support	Page 4
Governance Process 3.0. Overall Governance Process Commitment 3.1. Governing Style 3.2. Ownership Connection 3.3. Governance Succession 3.4. Board Job Description 3.5. Statutory Audit 3.6. Agenda Planning 3.7. Board Members' Code of Conduct 3.8. Role of the President 3.9. Role of the Vice-President 3.10. Role of the Treasurer 3.11. Board Secretary 3.12. Role of Committees 3.13. Cost of Governance	Page 5
Board-Management Delegation Policies 4.0. Overall Board-Management Delegation 4.1. Accountability of the Executive Director 4.2. Delegation to the Executive Director 4.3. Monitoring Executive Director Performance 4.4. Executive Director Compensation 4.5. Duty of Care to Executive Director as Board Employee	Page 6
	Page 7
	Page 8
	Page 9
	Page 10
	Page 11
	Page 12
	Page 13
	Page 14
	Page 15
	Page 16
	Page 17

1. EHMA ENDS POLICIES

1.0 Overall End

EHMA exists so that Europe's citizens and communities benefit from health systems that deliver effective and evidence-informed practice.

This End is to be achieved at a cost justified by the results and interpreted as follows:

- 1.1. Managers, educators, providers, researchers, citizens, innovators and policy makers have access to knowledge on effective health management.
- 1.2. Managers, educators, providers, researchers, citizens, innovators and policy makers contribute to the development and improvement of knowledge and training in the field of health management.
- 1.3. Research and development are encouraged and supported among EHMA members, and findings are shared.
- 1.4. Research findings are transformed into practice through dissemination and joint activities, specifically among researchers and managers.

[Note; The Board has not ranked the above Ends in order of priority as priorities may need to be changed from year to year.]

2. EHMA EXECUTIVE LIMITATIONS POLICIES

2.0. Overall Executive Limitation

The Executive Director shall not cause or allow any practice, activity, decision, or organisational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.

2.1. Financial Budgeting and Planning

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multiyear plan.

Accordingly, the Executive Director shall not:

- 2.1.1. Use any reserves.
- 2.1.2. Allow reserves to be built at less than 10% of unrestricted income raised each year.
- 2.1.3. Allow EHMA to be without a strategy for increasing and then maintaining its reserves to the level at which the organisation could continue to operate in the absence of income for six months and be able to cover all its obligations.
- 2.1.4. Allow EHMA to be without a strategy for increasing the diversity of its funding.
- 2.1.5. Allow the Board to be unaware of the timetable for significant core funders' decisions and contingency plans for late decisions or decisions that would put EHMA's ability to fulfil its contractual obligations at risk.

2.2. Actual Financial Condition

With respect to the actual, ongoing financial condition and activities, the Executive Director shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board Ends policies.

Accordingly, the Executive Director shall not:

- 2.2.1. Expend more funds for a fiscal year than are conservatively projected to be received in that period plus any accumulated surplus designed to be carried forward from prior years, unless the debt guideline (below) is met.
- 2.2.2. Allow the untimely payment of payroll and debts.
- 2.2.3. Indebt the organisation in an amount that leaves the organisation unable to cover the notice period on all contracts and repay by unencumbered funds within the next fiscal year.
- 2.2.4. Acquire, encumber, or dispose of real property.
- 2.2.5. Make a single purchase or commitment of greater than €3,000 which has not been established in the Ends priorities as reflected in the budget.

2.3. Asset Protection

The Executive Director shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the Executive Director shall not:

- 2.3.1. Insure against theft and casualty losses to less than 80% of replacement value and against liability losses to Board members, staff and the organisation itself.
- 2.3.2. Subject the office facilities to improper wear and tear or insufficient maintenance.
- 2.3.3. Allow EHMA to be without a plan for fulfilling its likely future information systems needs.
- 2.3.4. Unnecessarily expose EHMA, its Board, or staff to claims of liability.
- 2.3.5. Make any purchase without due consideration to quality, after-purchase service, value for money, and opportunity for fair competition.
- 2.3.6. Allow intellectual property, information and files to be unprotected from loss or significant damage.
- 2.3.7. Receive, process or disburse funds without using internal control procedures sufficient to meet the standards of the Board appointed auditor.
- 2.3.8. Fail to provide a report to the Board on the implementation of any and all recommendations in the Auditor's Report.
- 2.3.9. Invest or hold capital in instruments, including bonds of less than AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- 2.3.10. Endanger the organisation's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.

2.4. Treatment of Other Agencies and the Public

The Executive Director shall not allow other agencies or the public to be unaware of what may and may not be expected from EHMA:

Accordingly, the Executive Director shall not:

- 2.4.1. Allow European health systems focused organisations to be without the benefit of EHMA's experience.
- 2.4.2. Fail to address and respond to other agencies' and the public's concerns about the operations of EHMA in a fair and timely manner.

2.5. Engagement and Treatment of Staff

With respect to the engagement and treatment of staff (whether employed on a salaried or fixed-term contract basis) and volunteers, the Executive Director may not cause or allow conditions that are unsafe, unfair or undignified.

Accordingly, the Executive Director shall not:

- 2.5.1. Prevent staff from appealing to the Board when:
- (a) Internal dispute resolution procedures have been exhausted: or
 - (b) The employee alleges either that the Board policy has been violated to the detriment of EHMA or any member of staff, or that Board policy does not adequately protect his or her legal rights.
- 2.5.2. Employ or continue to employ any person who has a relationship with another member of staff that extends beyond their employment and could create, or appear to create, a conflict of interest unless:
- i. That relationship is declared to the Executive Director (or the President if the relationship involves the Executive Director).
 - ii. The potential for conflict of interest is identified and appropriately managed.
 - iii. Related staff are not in a direct reporting or supervisor to subordinate relationship.
 - iv. Related staff have no influence over each others' wages, hours, benefits, career progress or other terms and conditions of service.
 - v. A contract of employment that has been developed to reflect the above criteria has been signed by the related staff.
 - vi. Where a relationship develops while employed and all the above criteria cannot be met, the last person to be employed will be required to leave.
- 2.5.3. Operate without written job descriptions for all staff and human resource policies that clarify expectations, benefits, working conditions and a comprehensive dispute resolution process.
- i. Allow staff complaints and their resolution to go unrecorded.
 - ii. Allow staff to be uninformed of their rights under this policy.
- 2.5.4. Allow EHMA to operate in a manner that would discourage the involvement of interns or leave the importance of their individual and collective contribution unacknowledged.

2.6. Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and interns, the Executive Director shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the Executive Director shall not:

- 2.6.1. Change his or her own compensation and benefits.
- 2.6.2. Establish compensation and benefits that deviate materially from the current geographic or professional market for the skills employed.

2.7. Executive Director Succession

The Executive Director shall not operate without ensuring that there is at least one other person who has access to the information needed to operate the organization in a competent manner in the event of sudden loss of Executive Director services.

2.8. Board Communication and Support

The Executive Director shall not permit the Board of Directors to be uninformed or unsupported in its work.

Accordingly, the Executive Director shall not:

- 2.8.1. Fail to submit monitoring data required by the Board (see policy on Monitoring Executive Director Performance) in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored.
- 2.8.2. Allow the Board to be without administrative support for official Board, officer or committee communications as may be required by the President.
- 2.8.3. Fail to deal with the Board as a whole except when:
 - a) fulfilling individual requests for information;
 - b) responding to officers or committees duly charged by the Board.
 - c) drawing, at his or her discretion, on individual Board member expertise.
- 2.8.4. Let the Board be unaware of anticipated adverse media coverage, legal threats, publications for general distribution, staff changes and other significant internal and external changes including changes to current plans and budgets necessitated by changes in EHMA's funding.
- 2.8.5. Fail to report in a timely manner any anticipated or actual non-compliance with any Board policy.
- 2.8.6. Fail to advise the President if, in the Executive Director's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behaviour that is detrimental to the work relationship between the Board and the Executive Director. In the case where the opinion relates to the Role of the President, the opinion shall be provided to the full Board *[through the vice-President]*.
- 2.8.7. Allow Board members to be without access to President-reviewed Board meeting minutes for more than one month after the relevant meeting.
- 2.8.8. Make the Board papers available for Board member review later than 7 working days before the next Board meeting.
- 2.8.9. Supply for the Board agenda all items delegated to the Executive Director yet required by law or contract to be Board-approved, along with the relevant Board policy monitoring assurance.
- 2.8.10. Fail to make available to the Board adequate information to support informed Board Ends choices, including relevant statistical, demographic and other environmental data.
- 2.8.11. Allow EHMA to operate without an annual budget that the Board has agreed is in compliance with its policies.
- 2.8.12. Fail to provide the Board with report of key meetings, conferences, and other events that the secretariat has been involved in.

3. EHMA GOVERNANCE PROCESS POLICIES

3.0 Overall Governance Process Commitment

The purpose of the Board of Directors, on behalf of those whom it defines as its legal owners – its members – is to ensure that EHMA:

1. Achieves appropriate results at an appropriate cost; and
2. Avoids unacceptable actions and situations.

The Board shall pursue this purpose in fulfilment of the following vision, mission, and values:

Our vision is excellent health management for a healthy Europe.

Our mission is to support the spread of knowledge on effective health management.

Our values are excellence, quality, inclusiveness, relevance, and respect.

3.1. Governing Style

The Board will govern lawfully, in accordance with its Statutes and the principles of Policy Governance, with an emphasis on:

- (a) outward vision
- (b) encouragement of diversity in viewpoints,
- (c) clear distinction of Board and executive roles, (even when the latter are performed by Board members)
- (d) collective rather than individual decisions
- (e) future rather than past or present, and
- (f) proactivity rather than reactivity.

3.1.1. The Board will cultivate a sense of group responsibility. Therefore, the Board will not use the expertise of individual members to substitute for the judgement of the Board, although the expertise of individual members may be used to enhance the understanding of the Board.

3.1.2. The Board will enforce upon itself the discipline needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will always act in accordance with them while in force.

3.1.3. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

3.1.3.1. Orientation of new Board members will include: an introduction to the organisation, an introduction to Board members and the Executive Director, an orientation to the governance model and governance processes.

- 3.1.3.2. The Board will appoint a monitor at each of its meetings who shall give a verbal and written report on the Board's compliance with the policies in this manual. This role shall rotate between Board members, normally in alphabetical order, exempting the current President.
- 3.1.3.3 The Board will conduct an annual evaluation of its performance; ranking itself against all elements of its job description in 3.4 and making plans for improvement.
- 3.1.4. The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling its commitments.

3.2. Ownership Connection

The Board of EHMA will seek to connect its authority to its members, through:

- a) having a stall at each EHMA conference run by Board members;
- b) Taking time at major EHMA events to consult on the work of the Board;
- c) Educating itself about the results of relevant surveys, and;
- d) Publishing its policies on the EHMA website.

3.3. Governance Succession

Article 25 of EHMA's statutes requires that the Association is administered by a Board, composed of at least three Board members, nominated among the Full Members of the Association by the General Assembly for a two-year term, and revocable at any time. The number of Board members must be in any case less than the total number of the Association's Members.

In keeping with the Board's commitment to excellence in governance, the Board shall actively solicit for positions on the Board candidates who have characteristics that will enable them to govern effectively.

- 3.3.1. The Board will establish a Board Recruitment Committee to encourage candidates to join the Board in accordance with EHMA's Statutes. The committee composition will be reviewed annually at the Board's 1st meeting of the financial year.
- 3.3.2. EHMA members will be notified of the upcoming Annual General Meeting and encouraged to consider Board membership.
- 3.3.3. The Board will seek to have eight members on the Board, appointing approximately two to four new members each year to ensure ongoing governance experience.
- 3.3.4. Candidates will be sought who offer a range of perspectives and backgrounds and demonstrate:
 - a) commitment to having EHMA's mission and work;
 - b) understanding and commitment to the role of being a Board member;
 - c) propensity to think in terms of systems and context;
 - d) ability and eagerness to deal with values, vision and the long-term;
 - e) ability and willingness to participate assertively in deliberation and abide by the intent of established policies;

- f) willingness to share any relevant expertise for the education of the whole Board;
 - g) willingness to share power in group process, and to delegate areas of decision-making to staff.
- 3.3.5. The Board will seek to promote diversity in Board composition, including professional backgrounds, nationality, age and gender. None of the above alters the fact that all Board members have the same legal responsibilities and obligation to represent the best interests of all EHMA's owners regardless of their background or profile.
- 3.3.6. All new Board members will receive a letter setting out their duties along with an information pack about the organisation and an in-person orientation to EHMA. They will also be provided with an orientation to EHMA and an experienced Board member who will act as a mentor.
- 3.3.7. At the Board meeting immediately following its Annual Meeting, in accordance with Article 27 of EHMA's statutes, the Board shall appoint a President and Treasurer and may decide to appoint a Vice-President and Secretary who shall take up office immediately following the Annual General Meeting. These appointments shall be made from among the Board members for a two-year term and can be re-elected for another two-year term at the end of their first mandate. Board members who nominate for one of these roles will be invited to speak to the Board for 3 minutes as to their qualifications and interest in serving. A vote will then be taken.

3.4. Board Job Description

The Board of EHMA is accountable to the legal owners of EHMA who are its members, for ensuring appropriate organisational performance through producing:

- a. The link between EHMA, our members who are the legal owners of EHMA.
- b. Written governing policies which address the broadest levels of all organisational decisions and situations.
 - i. **Ends:** Defining EHMA's purpose in terms of specific outcomes for specific beneficiaries at a specific level of cost-efficiency.
 - ii. **Executive Limitations:** Defining boundaries of prudence and ethics within which all executive activity and decisions must take place.
 - iii. **Governance Process:** Defining how the Board conceives, carries out and monitors its own task.
 - iv. **Board-Management Delegation:** Defining how Board authority is delegated and its proper use monitored;
- c. Assurance of effective organisational performance.

3.5. Statutory Audit

The Board may appoint a statutory auditor for EHMA in accordance with Article 37 of EHMA's Statutes and will normally rotate auditors at least once every four years.

- 3.5.1. The Treasurer will be responsible for ensuring that the engagement letter includes:
 - a. A requirement for the auditor to inform EHMA in advance of commencing the audit of the auditor's standards for internal controls.
 - b. Specification of relevant Board policies.

3.6. Agenda Planning

To fulfil its job description in a manner consistent with Board policies, the Board will follow an annual agenda which (a) includes a review of its Ends policies and (b) continually improves Board performance through Board education and enriched input and deliberation.

- 3.6.1. Agendas for the Board's meetings will be as per the annual Board calendar agreed at the 3rd meeting of the financial year.
 - 3.6.1.1. The annual Board calendar will include:
 - a. An annual review of the coherence and completeness of all policies. This does not alter Board members' obligation to raise any policy concerns they may have at any time.
 - b. An annual audit of the Board's individual and collective skills and knowledge for Board decision-making to allow for development plans to be included in the next year's calendar.
- 3.6.2. Board members will notify the President and the Secretary in advance of the meeting if they wish additional items to be on the agenda.
- 3.6.3. When an item is brought to the Board via the Required Approvals Agenda, provided that compliance with all of the criteria in the Board's relevant policies has been demonstrated, the Board will not discuss the item prior to approval.

3.7. Board Member's Code of Conduct

The Board commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

- 3.7.1. Board members must have loyalty to the ownership unconflicted by loyalties to employees, other organisations, and any personal interest as a consumer.
 - 3.7.1.1. New Board members shall send the Executive Director a note of their interests which shall be notified to the whole Board in advance of their first meeting after being appointed at the Annual General Meeting.
 - 3.7.1.2. All Board members will notify the Executive Director of any changes as they arise and declare them at their next Board meeting.
 - 3.7.1.3. The President will ensure that an annual declaration is signed by all Board members at the Board's 2nd meeting of the financial year and

that the information is summarized and provided to all Board members in time for the Annual General Meeting.

- 3.7.2 Board members are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 3.7.3. Board members must avoid conflict of interest with respect to their fiduciary duty.
 - 3.7.3.1. When the Board considers an issue about which a Board member has a potential conflict of interest, that member will announce the conflict and offer to withdraw from the discussion and vote.
 - 3.7.3.2. Board members will not allow personal or business relationships with the Executive Director or other Board members to supersede or in any other way interfere with the business of EHMA.
- 3.7.4. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
- 3.7.5. Board members will be properly prepared for Board meetings.
- 3.7.6. Board members will respect the authority of the decisions of the Board.
- 3.7.7. Board members will be expected to maintain an email account for EHMA Board matters and take reasonable care to ensure that this is not accessible to any other persons. Board members shall be responsive and shall notify the Board if they will be out of email communication for a week or more.

3.8. Role of the President

The authority of the President consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of an Executive Director and (b) where the Board specifically delegates portions of this authority to others. The President is authorised to use any reasonable interpretation of the provisions in these policies.

- 3.8.1. The President is empowered to Chair Board meetings with all the commonly accepted power of that position (e.g. ruling and recognising).
- 3.8.2. The President has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the President has no authority to direct the Executive Director.
 - 3.8.2.1. If the President receives a complaint against the Executive Director, the President will invite the Executive Director's comment and bring the matter to the attention of the whole Board to be dealt with in accordance with its relevant policies.
- 3.8.3. The President may represent the Board to outside parties in relation to Board-stated positions and in stating President decisions and interpretations within her or his authority.
 - 3.8.3.1 The President or another Board member may also represent EHMA at the Executive Director's request when the Executive Director determines that a Board level presence would be useful for Ends fulfillment. In such instances, the President or Board member will be

accountable to the Executive Director for representing the organisation as part of her/his accountability to the Board.

- 3.8.4. The President may delegate her or his authority but remains accountable for its use.
- 3.8.5. The President will be a designated co-signer on all relevant documents.
- 3.8.6. The President shall bring any opinion provided by the Executive Director under Board policy 2.8.6 *Board non-compliance* to the full Board for resolution. However, in the case of an urgent matter, the President may take action within Board policy and then bring the matter to the full Board.

3.9. Role of the Vice-President

The authority of the Vice-President is only present when the President of the Board is absent, in accordance with Article 27 of EHMA's Statutes.

- 3.9.1. When the President is absent she or he is replaced by the Vice-President. If there is no Vice-President then the President is replaced by the oldest Board member present.
- 3.9.2. The Vice-President will then be empowered to act with all the commonly accepted power of the role of the President as described in policy 3.8 *Role of the President*.

3.10. Role of the Treasurer

The authority of the Treasurer is to act as the lead advisor on the development of Board finance policies and to be the Board's representative in executing the statutory audit.

- 3.10.1. The Board recognises that financial responsibility for EHMA is legally shared amongst all members of the Board, and that therefore financial control must be done through the use of Executive Limitation policies.
- 3.10.2. The Treasurer has no authority to make decisions about policies created by the Board. Therefore, the Treasurer has no authority to direct the Executive Director with respect to financial management.
- 3.10.3. In the event that the role of Executive Director is vacated, the Treasurer will assume accountability to the Board for the Executive Limitation policies: 2.1 *Financial Planning and Budgeting*; 2.2 *Actual Financial Condition*, and; 2.3 *Asset Protection*.

3.11. Board Secretary

The Secretary assures the integrity and safekeeping of the Board's documents, including current policies with their history of amendments. Therefore, the Secretary has authority to make any reasonable interpretation of the Board's policies on these matters.

3.12. Board Committees

Board committees will be used minimally in order to preserve the Board's group responsibility and in any case Board committees shall not be used to interfere with delegation from the Board to the Executive Director.

- 3.12.1. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
- 3.12.2. Board committees are to help the Board to do its job, not to help the Executive Director do jobs that have been delegated.

3.13. Cost of Governance

The Board will determine an annual budget for its own direct expenses associated with work done by the full Board and any Board committees at the 4th meeting of the financial year, following its Annual Governance Review.

- 3.13.1. Direct expenses are defined as the costs associated with making governance decisions e.g. meeting costs, Board members' expense reimbursement, external room hire, refreshments, legal advice, governance consultant fees, audit and other third-party monitoring of performance, ownership linkage mechanisms and orientation, training and education of Board members.
- 3.13.2 Board members will be reimbursed for actual, necessary and reasonable expenses incurred in their duties up to the amount allocated to them in the annual governance budget adopted by the Board.

4. EHMA BOARD-MANAGEMENT DELEGATION POLICIES

4.0 OVERALL BOARD-MANAGEMENT DELEGATION

The Board's only official connection to the operational organisation, its achievements, and conduct will be through the Executive Director.

Accordingly:

1. Only officially passed motions of the Board that make or amend Executive Limitations or Ends policies are binding on the Executive Director.
2. Decisions or instructions of individual Board members, officers, or committees are not binding on the Executive Director except in rare instances when the Board has specifically authorized such exercise of authority.
3. In the case of Board members or committees requesting information or assistance without Board authorisation, the Executive Director can refuse such requests that require, in the Executive Director's opinion, a material amount of staff time or funds, or is disruptive.

4.1. Accountability of the Executive Director

All authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Executive Director.

- 4.1.1. The Board will never give instructions to persons who report directly or indirectly to the Executive Director.
- 4.1.2. The Board will not evaluate, either formally or informally, any staff other than the Executive Director.
- 4.1.3. The Board will view the performance of the Executive Director as identical to organisational performance, so that the accomplishment of Board stated Ends and compliance with Board stated Executive Limitations will be viewed as successful Executive Director performance.

4.2. Delegation to the Executive Director

The Board will instruct the Executive Director through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the Executive Director to use any reasonable interpretation of these policies.

Accordingly:

- 4.2.1. The Board will develop policies that instruct the Executive Director to achieve specified results, for specified recipients at a specified relationship between cost and results. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues as defined above will be treated as means issues.
- 4.2.2. The Board will develop policies that limit the Executive Director's latitude in choosing the organisational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board, even if they were to be effective. These policies will be developed systematically from the broadest, most general level to more

- defined levels; they will be called Executive Limitations policies. The Board will never prescribe organisational means of the Executive Director.
- 4.2.3. Single Ends or Executive Limitations policies below the overall level, do not necessarily limit the scope of any foregoing level. However, the combination of all policies at any given level may encompass the full scope of the foregoing level, but only if specified by the Board or justified by the Executive Director to the Board's satisfaction.
 - 4.2.4. As long as the Executive Director uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the Executive Director is authorised to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the Executive Director shall have full force and authority as if decided by the Board.
 - 4.2.5. The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and Executive Director domains. By doing so, the Board changes the latitude of choice given to the Executive Director. But as long as any particular delegation is in place, the Board will respect and support the Executive Director's choices.

4.3. Monitoring Executive Director Performance

Systematic and rigorous monitoring of Executive Director performance will be solely to determine whether or not a reasonable interpretation of the expectations expressed in Board policies have been met.

- 4.3.1. Information that does not disclose this will not be considered by the Board to be a part of the monitoring report.
- 4.3.2. The Board will obtain disclosure about the Executive Director's interpretations of the Board policy being monitored from the Executive Director, including as part of the interpretation a) an operational definition of the relevant policy and b) a rationale or justification for the operational definition. Where relevant, operational definitions may include a timed sequence of ascending levels of accomplishment/compliance.
- 4.3.3. The Board will obtain data disclosing whether or not the Executive Director's interpretations have been accomplished using one or more of three methods: (a) by internal report, in which the Executive Director discloses the data to the Board; (b) by external report, in which an external, disinterested third party selected by the Board collects the data; and (c) by direct inspection, in which data are collected by the Board, a designated Board member or by designated Board members.
- 4.3.4. In every case, the Board will determine:
 - (a) The reasonableness of the Executive Director 's interpretations, using a "reasonable person test" rather than with interpretations favoured by Board members. The Board is the final arbiter of reasonableness.
 - (b) Whether the data demonstrates the accomplishment of the interpretation.
- 4.3.5. If the interpretation is judged to be unreasonable (due to inadequate definition of accomplishment/compliance or inadequate justification) or if the interpretation is judged to be inadequate, the Board will specify a date by which it requires a new report. Where the interpretation is judged to be reasonable but the data shows non-accomplishment/non-compliance, the Board will specify a date by which it requires the non-accomplishment/non-compliance to be remediated.

- 4.3.6. All policies that instruct the Executive Director will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method but will normally use a routine schedule. See policy 3.6 Agenda Planning.
- 4.3.7. At its 1st meeting after its Annual General Meeting, the Board will review its arrangements for an annual Executive Director Performance Review to be completed in the meeting prior to the next Annual General Meeting.
 - 4.3.7.1. A summary of the results of the Board's assessment of Executive Director Monitoring Reports for the year ending 31 December each year will be provided to the Board in February each year along with a template for individual Board member input and any commentary that the Executive Director wishes to provide. Board member input to be provided to the President in confidence by the end of March.
 - 4.3.7.2. At its final meeting before its Annual General Meeting, the Board will meet in-camera to discuss the results of the review. The Board will then inform the Executive Director of the results of the review and invite any further discussion. If necessary, the Board may go back in-camera. The President will then send a formal note of the results of the review to the Executive Director.

4.4. Executive Director Compensation

The Board will determine the compensation of the Executive Director in relation to the best available tool for establishing compensation for equivalent positions.

4.5 Duty of Care to the Executive Director as Board Employee

The Board will ensure that, at any Board meeting, the Executive Director has the opportunity, in a supportive and safe environment, to raise any issues of concern with regard to his/her terms of employment, development and well-being.

- 4.5.1. At its last meeting of the financial year the Board will appoint two Board members to meet with the Executive Director to discuss the implementation of this policy. The results of this meeting will be reported to the whole Board along with any recommendations for Board action in the first meeting of the next financial year.