

Athletics Ontario Governance Policies			
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## INTRODUCTION

### Background

ATHLETICS ONTARIO (“AO”), formerly known as the Ontario Track and Field Association, is the not-for-profit provincial sport governing body for Athletics for the province of Ontario. The Association is athlete-centered, volunteer-based and club-driven.

“Athletics” is defined as “all athletics, including, but not restricted to, track and field, running, jumping, throwing, cross country, race walking, road running, ultra- running and competitive athletics held under the auspices of Athletics Canada”.

### Purposes

The objects of Athletics Ontario are to:

- a) promote physical, emotional and mental well-being;
- b) promote athletics;
- c) support and assist athletes in their development;
- d) develop courses of instruction for/certification of coaches and officials, including education concerning matters relating to Safe Sport;
- e) promote and ensure competent delivery of athlete-centred recreational and competitive athletics programs in Ontario through member clubs and athletics communities; and
- f) promote and enforce standards of behavior and policies that are designed to create a safe sport environment.

### Vision

Ontarians acknowledge and support athletics as a sport important to individual and community health and fitness.

### Mission

The mission of Athletics Ontario is to:

- develop, promote and ensure competent delivery of programs and competitions in athletics for the participant’s enjoyment of the sport,

- produce highly competitive provincial, national and international athletes, and
- contribute to the health, fitness, social development and well-being of all participants in a safe sport environment.

### **Athletics Ontario Values:**

- Health and fitness through sports and throughout life
- Commitment to excellence and the highest standards of performance by athletes at all age levels
- Integrity, loyalty, fair play, sportsmanship, honesty, commitment, dedication, patience, mutual respect and cooperation
- Inclusiveness, accessibility and affordability in participation
- Individual development and measurable achievement encouraged by administrators, coaches, officials and staff committed to AO values
- High ethical and moral standards and practices in athletics and the governance of athletics
- Prudent, transparent stewardship that demonstrates value for the investment of financial and human resources

### **Constitutional Documents**

- *Letters Patent October 7, 1977*
- *Supplementary Letters Patent June 18, 2009*
- *Bylaw, approved by the members November 22, 2020*

*Note: These and other key documents are available on the AO website.*

### **Other Key Documents**

Other key documents guiding its work and its values, principles and external and internal relationships include:

- AO 2018 - 2020 Strategic Priorities
- The Safe Sport Policy Manual, which includes the following:
  - Code of Conduct
  - Children & Vulnerable Adults Policy
  - Complaints, Dispute Resolution and Discipline Policy
  - Alternative Dispute Resolution Policy
  - Appeal Policy
  - Event Discipline Procedure
  - Screening Policy
  - Whistleblower Policy
  - Concussion Management
- Accessibility Policy

- Athlete Transfer Policy
- Governance Policy
- Anti-Doping Policy
- Equity and Inclusion Policy
- Membership Policy
- Privacy Policy
- Team Selection Policy
- Financial policies
- Human Resources policies

## **Membership and Organizational Structure**

The Bylaw provides that Members of AO shall be any entity approved for membership in accordance with the Bylaw and the Membership Policy made under the Bylaw. Pursuant to the Membership Policy there are several types of Members, including athletes, coaches, officials, clubs, associates, and volunteers. Individuals may have more than one category of membership, and different levels of fees are payable in connection with the different types of membership.

The Bylaw provides for two classes of Members: voting and non-voting. Class 1 (voting) consists of Directors of AO and clubs with five or more Members. Directors have one vote. Depending on their numbers of Members, clubs have from one to three votes, as set out in the Bylaw. Class 2 (non-voting) consists of all other Members (athletes, coaches, officials, associates and volunteers).

The Board of Directors is elected by the Class 1 (voting) Members upon the recommendation of the Governance and Nominations Committee. It is comprised of a minimum of six (6) Directors to a maximum of nine (9). The number of Directors is determined from time to time by a majority of the Directors at a meeting of the Board of Directors.

***See Appendix I – Organizational Chart***

## **Authority and Application of Governance Policies**

The Board of Directors of AO establishes these Governance Policies. The provisions of the Bylaw shall take precedence in the event that there is any conflict between these policies and the Bylaw.

The purposes of these Governance Policies are to:

- a) Complement the Bylaw with additional detailed policies to provide a framework for the Board’s execution of its responsibilities.
- b) Provide a reference to all of the policies enacted by the Board.
- c) Serve as a resource for orientation and training of Directors and staff.

## TABLE OF CONTENTS

INTRODUCTION .....	1
Background .....	1
Purposes .....	1
Vision .....	1
Mission .....	1
Athletics Ontario Values: .....	2
Constitutional Documents .....	2
Other Key Documents .....	2
Membership and Organizational Structure .....	3
Authority and Application of Governance Policies .....	3
OVERVIEW OF GOVERNANCE POLICIES .....	6
Governance: The Primary Focus of the Board of Directors .....	6
1. BOARD STRUCTURE AND GENERAL DUTIES .....	6
1.1 Board Structure .....	6
1.2 General Governance Responsibilities .....	6
1.3 Authority and Accountability .....	7
1.4 Essential Governance Tasks of the Board .....	7
1.5 Director’s Duties – Responsibilities of Individual Board Members .....	8
1.5.1. Duty of loyalty (the statutory “fiduciary duty”) .....	8
1.5.2. Duty of care and diligence (the statutory “duty of care and diligence”) .....	8
1.5.3. Communications .....	9
1.6 Ethical Practices .....	9
1.7 Conflict of Interest .....	10
1.8 Complaints and Disputes involving Directors .....	11
2. ROLES OF THE OFFICERS .....	12
2.1 Chair .....	12
2.2 Vice-Chair .....	13
2.3 Treasurer .....	13
2.4 Secretary .....	13
2.5 Chief Executive Officer (CEO) .....	14
3. ROLE OF COMMITTEES .....	14
3.1 Authority of Committees .....	14
3.2 Composition .....	14
3.3 Function .....	15
3.4 Relationship to Staff .....	15
3.5 Meetings .....	16
3.6 Governance and Nominations Committee .....	16
4. STYLE OF GOVERNANCE .....	17
5. BOARD RESPONSIBILITIES .....	18

5.1.1. Strategic Plan.....	18
5.1.2. Annual Operating Plan .....	18
5.1.3. Planning Cycle.....	19
5.2 Financial Stewardship .....	19
5.3 Human Resources Stewardship .....	20
5.4 Performance Monitoring and Accountability.....	20
5.5 Risk Management.....	20
5.6 Representation and Communications .....	20
5.7 Management of Critical Transitional Phases or Events .....	21
5.8 Dispute Resolution.....	21
6. EXECUTIVE AUTHORITY.....	21
6.1 Delegation to the CEO .....	22
6.2 Appointment of the CEO .....	22
6.3 CEO Performance Evaluation .....	23
6.3.1. General .....	23
6.3.2. Procedure.....	23
6.4 Staff Appointments .....	24
7. BOARD DEVELOPMENT .....	24
7.1 Recruitment and Screening of New Board Members.....	24
7.2 Orientation of New Board Members .....	24
8. BOARD MANAGEMENT.....	25
8.1 Meetings .....	25
8.2 Attendance.....	25
8.3 Board Work Plan/Objectives.....	25
8.4 Board Self-Evaluation .....	25
8.5 Conflict Resolution.....	25
8.6 Board Member and Staff Expenses .....	26
9. BOARD DECISION-MAKING .....	26
9.1 Decision-Making Process .....	26
9.2 In Camera Meetings.....	27
APPENDIX I – AO Organizational Chart .....	29
APPENDIX II – Oath of Office .....	30
APPENDIX III - Executive Performance Incentive Plan.....	30
APPENDIX IV – Financial Policies .....	35
APPENDIX V – Human Resources Policies.....	35

## OVERVIEW OF GOVERNANCE POLICIES

These policies summarize the roles and responsibilities of the Board of Directors of AO, its officers and committees; the manner in which the Board exercises its authority in the fulfillment of its responsibilities; the responsibilities and authority of its Chief Executive Officer (“CEO”); the relationship between the Board and the AO management; and the general principles that will guide its governance responsibilities and operating practices.

### **Governance: The Primary Focus of the Board of Directors**

Governance is:

- *“the dynamic interaction between people, structures, processes and traditions*
- *that support the exercise of legitimate authority in providing*
- *sound leadership, strategic direction, oversight and control,*
- *in order to ensure that the organization’s purpose is achieved and that there is proper accounting for the*
  - *manner in which its business is conducted,*
  - *efficient use of its resources, and*
  - *results of its activities.”*

It is not management!

**The primary focus of the Board of Directors**, in consultation with the CEO, will be on establishing strategic goals and objectives that achieve the vision and strategic orientation set by the Board. The Board will be responsible for monitoring and auditing results in implementation of the strategic and operational plans. It will reflect clear values, vision and mission through its strategic planning in consultation with the CEO. It will endeavour to ensure that the affairs of the organization are conducted in an ethical manner, that resources are used efficiently, that realistic goals and objectives are established and achieved, and that a full accounting for performance is provided to members and other key stakeholders.

## **1. BOARD STRUCTURE AND GENERAL DUTIES**

The structure and objects or purposes of AO are defined by the legislation under which it is incorporated, other legislation related to its operations, the Letters Patent, the Bylaw and these Governance Policies.

### **1.1 Board Structure**

The Bylaw specifies the number of Directors, eligibility criteria, election process, and terms of office of Directors. The Board is comprised of no fewer than six and no more than nine elected persons. The number of Directors is determined from time to time by a majority of the Directors at a meeting of the Board of Directors.

### **1.2 General Governance Responsibilities**

The Board's job, along with the CEO, is to govern the affairs of AO within the framework of relevant legislation. The Board has the authority and responsibility for:

- a) Acting honestly and in good faith with a view to the best interests of AO and, in doing so, exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- b) Safeguarding the organizational mission and endeavouring to ensure the viability and stability of AO;
- c) Seeking input of Members and other key stakeholders to strategic planning;
- d) Seeking adequate information to monitor major areas of the CEO's and organizational performance;
- e) Overseeing the proper and prudent management of AO;
- f) Endeavouring to ensure that AO's activities are consistent with its mission;
- g) Reporting to Members of AO and other key stakeholders regarding the performance of AO; and,
- h) Linkages/coordination/cooperation with other organizations engaged in the pursuit of similar or related objectives, and with other key stakeholders.

### **1.3 Authority and Accountability**

The Board, as a whole, has general and specific responsibilities to AO's Members and those others, including various levels of government, who provide funds for the operation of AO. The Board is also accountable, in a more general sense, to exercise good stewardship of AO on behalf of the trust placed in it by the Members, staff, volunteers, other stakeholders, and the general public.

Individual Directors have no authority to act or give direction individually other than in such manner as may be approved in these policies or by resolution of the Board. The Board may delegate authority to an individual Director or officer or the CEO. However, the Board retains ultimate responsibility and accountability for all aspects of AO's affairs and the conduct of its business.

The Board will account to AO Members and other key stakeholders through annual reports on its activities and finances, and annual audited financial statements.

### **1.4 Essential Governance Tasks of the Board**

The Board may carry out its duties directly or establish certain committees to assist in its work. However, the Board itself retains ultimate authority and accountability for the work of its committees and for overseeing and coordinating their efforts. These responsibilities fall generally within eight major categories: Mission and Planning; Financial Stewardship;

Human Resources Stewardship; Performance Monitoring and Accountability; Risk Management; Stakeholder Representation and Advocacy; Management of Critical Events and Transitional Phases; and Complaints Processes.

## **1.5 Director's Duties – Responsibilities of Individual Board Members**

Individual Board members have no authority to act independently of the Board except insofar as the Bylaw or the Board, by resolution, specifically mandates. This means, among other things, that an individual Board member cannot provide direction to the CEO or staff. The only legal authority to provide direction or require information is vested in the full Board. Nevertheless, periodic informal communication between Board members and the CEO between formal meetings is encouraged for the purpose of ensuring a free flow of information, understanding of issues and maintenance of constructive working relationships.

Each Board member is expected to become an active participant in a body that functions effectively as a whole. In addition to assisting in the fulfillment of the essential governance tasks of the Board outlined in Part 1.4 of these policies, Board members are required to exercise loyalty, care and diligence in the performance of their duties. Each Board member is expected to exercise these duties as follows:

### ***1.5.1. Duty of loyalty (the statutory "fiduciary duty")***

- Act with honesty and in good faith in what the Director reasonably believes to be the best overall interests of AO.
- Respect the decisions of the majority and resign if unable to do so. Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with AO's Bylaw and policies and statutory requirements.

### ***1.5.2. Duty of care and diligence (the statutory "duty of care and diligence")***

- Exercise the same degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Be informed of the legislation under which AO is incorporated, relevant jurisprudence, AO's bylaws, values, vision, mission, code of conduct, and policies as they pertain to the duties of a Director.
- Engage in ongoing learning about AO and its functioning, including understanding of AO financial reports, funding and policy documents.
- Keep generally informed about the activities of AO, the external factors that affect AO, and general trends in the service area in which AO operates.
- Seek as much sound information as feasible, which may include professional advice where appropriate, about an issue before making a decision on a matter, including perspectives of, and potential impact on Members and staff.



- Prepare diligently for and attend Board meetings regularly, serve on committees, and contribute from personal, professional and life experience to the work of the Board.
- Offer personal and professional perspectives and opinions on issues that are the subject of Board discussion and decision. Present both facts and perceptions on behalf of Members.
- Engage meaningfully at meetings through frank and open discussion without personalizing comments; challenge opinions, disagree without being disagreeable and encourage all Board members to participate fully in discussions without dominating them.
- Voice, clearly and explicitly, at the time a decision is being taken, any opposition to a decision being considered by the Board.
- Ask for a review of a decision if the Director has reasonable grounds to believe that the Board acted without full information or in a manner inconsistent with its fiduciary obligations.
- Work cooperatively with the staff of AO on committees, task forces and working groups of the Board.
- Know and respect the distinction in the roles of Board and staff consistent with the principles underlying approved governance policies.

### **1.5.3. Communications**

- Directors are expected to extend public knowledge and appreciation of Athletics and should avoid practices that are likely to discredit the sector or harm the professional reputation and practice of AO, its membership, and/or its employees.
- Directors may represent themselves as members of the AO Board but are not permitted to speak on behalf of AO unless authorized to do so by Board decision. The Chair of the Board and the CEO are the official spokespersons for the organization.
- Key Board messages on actions and decisions will be agreed as a group and communicated consistently. Distribution of Board meeting summaries, minutes and documents is handled by administrative staff under the direction of the Secretary.

## **1.6 Ethical Practices**

The Board and individual Directors make a vital contribution to the success of the organization. The portions of the Code of Conduct that apply to all Participants (as defined in the Code of Conduct) and to Directors, officers and committee members specifically, are a succinct statement of essential principles intended to govern the conduct of the Board and staff of AO. These principles encourage the development of a spirit of collective decision-making, shared objectives and shared ownership of and respect for Board decisions. It outlines the serious commitment that Directors undertake when they join the Board.

Respect for confidentiality is the cornerstone of trust and confidence. Board members, staff and volunteers must, at all times, respect the confidentiality of information obtained during the course of their service. Similarly, all matters dealt with by the Board during in-camera meetings and matters related to personnel must be held in strictest confidence. Confidentiality means Directors may not relate such matters to anyone including immediate family members. The duty of confidentiality continues indefinitely after a Director has left the Board, or a staff or volunteer has left the employ of the organization.

Members and employees trust Board members to protect the confidentiality and accuracy of their personal information and to respect the sensitivity of corporate information and records, the disclosure of which could have a harmful impact on personal or professional lives.

Directors are required to sign an Oath of Office (Appendix II) upon assuming office. As is the case with all Members of AO, Directors agree to comply, at all times, with AO's Bylaw, policies, procedures and rules and regulations.

## **1.7 Conflict of Interest**

Conflicts of interest are inevitable in any organization, particularly those with multiple constituencies and competing interests. A conflict of interest should not disqualify a person from office unless it is persistent and pervasive. What is most important is that any such conflict is managed in an open and transparent manner.

"Conflict of interest means a conflict, or the appearance of a conflict, between the private interests and the official responsibilities of a person in a position of trust." A conflict of interest may arise between the personal/private or competing interests of a Director and AO.

Members of the Board shall act at all times in the best interests of AO rather than such other interests. This means setting aside personal self-interest or the interests of their constituent community and performing their duties in transaction of the affairs of AO in such a manner that promotes member and public confidence and trust in the integrity, objectivity, and impartiality of the Board.

A conflict of interest may arise if an individual, their business, or their immediate family stands to benefit from decisions or actions arising from the Board. A conflict of interest may also arise when directors owe a duty of loyalty or fidelity to another organization to which a proposed policy or project of the AO Board could be detrimental. A conflict of interest may also be implied in the accepting of inappropriate gifts, incentives, or hospitality that could be construed as improper or implying an obligation.

### **Steps for managing conflicts of interest**

If the best interests of AO are materially at odds with the personal interests of a Director, then that Director will:

- a) disclose financial, business or material interests or outline the difficulties of their position/representation posed by the item before the Board
- b) abstain from influencing such decisions,
- c) abstain from participating in that portion of the meeting dealing with the issue;
- d) abstain from voting on it,

This will be properly recorded in the minutes.

## **1.8 Complaints and Disputes involving Directors**

Complaints or disputes involving Directors in their capacity as Directors will be dealt with in a manner consistent with the following:

- a) Except in the circumstances described in (c) below, the Board Chair shall review any complaints that a Director in his/her capacity as a Director has violated any provision of AO's Bylaw, policies, procedures, rules or regulations.
- b) Directors are expected to report their awareness of any situation which might adversely affect the reputation or performance of AO. This would include any questionable, fraudulent, or illegal actions.
- c) Reports should be made to the Board Chair, but if the Chair is implicated in the wrongdoing, the matter should be reported to the CEO and the Vice-Chair.
- d) The Governance and Nominations Committee shall review disputes between members of the Board that may impair the ability of the Board to carry on its business.
- e) Directors are expected to comply promptly with any request from internal and/or external auditors for assistance, provide full disclosure of any situation under investigation, and, if requested by the Chair (or Vice-Chair if the Chair is implicated in the wrongdoing) absent themselves from meetings of the Board and any committees of which they are a member pending the outcome of the investigation.
- f) Any Director against whom specific allegations or complaints have been made will be notified in writing, except where such complaints relate to potential criminal behaviour and have been referred for police investigation.
- g) The review of such complaints or disputes shall include an opportunity for the Director concerned to represent their position.
- h) Every attempt shall be made to resolve such matters expeditiously and fairly.
- i) The recommendations regarding resolution of such matters shall be brought to the Board for approval. If appropriate, the Board may call a special meeting of Members for the purpose of passing a resolution to remove the Director before the expiration of the Director's term.

## **2. ROLES OF THE OFFICERS**

Officers are in the service of the Board. Individual officers may not act in place of the Board. The Board may, by policy or general resolution, delegate certain responsibilities to its officers but retains ultimate responsibility and accountability for the responsibilities so delegated.

### **2.1 Chair**

The role of the Chair is to oversee and manage, with integrity, in the manner in which the Board and its members attend to the business of the Organization.

- a) The Chair presides as the ‘manager’ of the Board’s activities and strives to ensure that the Directors follow Board rules and polices and obligations imposed by statute or regulation. The Chair has no authority to make decisions outside the Bylaw or the parameters of policies created by resolution of the Board.
- b) The Chair sets the agendas for meetings of the Board with input from the members of the Board and with the assistance of the CEO and endeavours to ensure that meetings are focused on matters of Board responsibility and are conducted efficiently and effectively.
- c) The Chair is responsible for promoting the development of a Board work plan, complementary to the strategic priorities and operational plan of AO.
- d) The Chair plans the conduct and timing of Board meetings in consultation with the CEO and chairs meetings of the Board and membership.
- e) The Chair ensures that the Board is properly informed about the operations of AO, has the information and opportunity necessary to come to decisions on matters within its purview, and that decision-making is transparent.
- f) The Chair, without undermining the CEO’s accountability to the full Board, is the Board’s primary liaison with the CEO, who is responsible for the execution of Board policies and directives.
- g) The Chair, in consultation with the Human Resources Committee, negotiates with the CEO annual performance objectives that are SMART (*Specific, Measurable, Achievable, Relevant* to the strategic and operational plans and *Time* delimited) and recommends these for Board approval.
- h) The Chair strives to ensure that the Board works effectively as a team and those areas of overlap between Board, management and staff responsibilities are managed constructively.
- i) The Chair oversees the constructive resolution of conflict-of-interest issues and other conflicts or disputes.
- j) The Chair oversees the annual conduct of Board evaluation and Director self-assessments.
- k) The Chair, with the support and cooperation of the Board, is responsible for adequate

communications and accountability to Members and other key stakeholders.

- l) The Chair acts as public and media spokesperson for the Board and AO as required subject to the provisions of clause 5.6 of these policies.

## **2.2 Vice-Chair**

In addition to assuming the duties of the Chair during his/her absence, the Vice-Chair serves as Chair of the Governance and Nominations Committee, (the Board may appoint another Director to manage the annual Board nomination process, as appropriate, for example, if the Vice-Chair's term is up for renewal), facilitates the evaluation of the CEO's performance through discussion within the Governance and Nominations Committee, and performs such other duties as prescribed from time to time by the Board, coincident to the office.

## **2.3 Treasurer**

The Treasurer shall:

- a) Monitor the financial activities of AO;
- b) Oversee the keeping of complete and accurate records of all of AO's financial matters in accordance with generally accepted accounting principles;
- c) Act as a signing authority for the organization as approved in the Bylaw or by resolution of the Board;
- d) Provide to the Board, quarterly or as otherwise required by the Board, a report of all major financial transactions and of the financial position of AO;
- e) Recommend a competent auditor to be appointed annually by the Members; and,
- f) Collaborate with the auditor and CEO in the review and presentation of annual audited financial statements.

## **2.4 Secretary**

The Secretary shall:

- a) Oversee the keeping of records of meetings, policies, membership, and any other records required by law and the filing with appropriate governmental authorities of documents regarding corporate changes.
- b) Ensure that minutes are taken at all meetings of the Board and the Executive Committee.
- c) Ensure that copies of minutes and agendas are circulated to Board members prior to each meeting.
- d) Maintain, or ensure the maintenance of, the files and records of AO to be passed on to future officers and take appropriate steps to maintain the security and confidentiality

of all such files and records.

## **2.5 Chief Executive Officer (CEO)**

The CEO is responsible for the execution and implementation of Board directives and the general management and administration of the affairs of AO pursuant to the provisions of the description of responsibilities contained in Appendix III of these policies. These responsibilities include appointment, training, and support of staff, ensuring proper care and custody of records, and development of annual business plans.

## **3. ROLE OF COMMITTEES**

Committees play a vital role, assisting the Board in carrying out its duties. Pursuant to the Bylaw, the Board may appoint committees and committee members as it considers necessary to further the objectives of AO. Pursuant to the Bylaw, AO is required to have a Governance and Nominations Committee. The Board has established the following Board Committees:

- Executive Committee
- Finance Committee
- Governance and Nominations Committee
- Human Resources Committee
- Risk Management Committee

In addition, the Board has established the following Operational/Ad Hoc Committees and may, from time to time, establish other committees for such purposes and terms as it considers advisable;

- Officials
- Awards
- Competitions
- Hall of Fame
- Technical
- Masters Council

The Board shall determine the duties of such committees, their general terms of reference, their composition, and may fix remuneration for expenses.

### **3.1 Authority of Committees**

Committees have an advisory function to the Board. They do not speak or act for the Board unless such authority is formally delegated, is time-limited, and is for specific purposes (as in the case of the Executive Committee). They do not have any authority to direct staff although they may, through the Board, ask the CEO to allocate resources in support of committee activities.

### **3.2 Composition**

Committee members are appointed by and hold their offices at the pleasure of the Board. The composition of the committees is established by the mandates established by the Board for each committee, A member of the Board shall chair all Board Committees. Members of all committees must be or become members of AO.

The composition of committees shall be representative of the Board and, where feasible and appropriate, staff and members of AO. This is intended as an effective way to add expertise, involve more of the members in the work of AO and bring to the organization broader member perspectives. It also serves as a means of recruiting, orienting and screening prospective candidates for the Board.

The Chair (voting) of the Board and CEO (non-voting) are ex-officio members of all Board Committees.

### **3.3 Function**

The function of committees is to bring the experience, expertise and judgment of a group of interested and informed persons to bear on a specific area of AO's responsibility and activities. Its job is to assist the Board by considering matters referred to it in greater depth than would be possible by the whole Board. Committees identify and isolate the key issues requiring Board consideration or corporate attention, propose alternative actions, present the implications and make recommendations to the Board for decision.

The Board will not review the matter in the same detail as the committee but must be satisfied that all pertinent information was considered or refer the issue back to the committee for further study. The Board will consider the recommendations of the committee and adopt or amend these recommendations or make such other disposition, as it considers advisable.

### **3.4 Relationship to Staff**

The Board and staff work co-operatively to carry out the objectives of AO. The Board relies upon the ability, training, expertise and experience of staff to plan for and provide services or programs within AO's mandate. Board committees and Board meetings are the generally recognized avenues for Board and staff to think and plan together.

The attendance of the CEO, or designate, at all meetings of Board Committees as a resource and staff support is essential to the effective work of the committees. Committees may advise the Board or the CEO but do not exercise authority over staff and will ordinarily have no direct dealing with administrative operations. Committee members must know and respect the distinction between Board and staff responsibilities.

Communications between Board members and staff are normally through the CEO as they

relate to:

- Any assignments or directives;
- Requests for organizational resources or staff time;
- Staff performance concerns or policy infractions;
- Concerns regarding any aspect of programs, services, or administration.

Board members and staff shall keep the CEO informed ('in the loop') on all communications of a substantive nature related to these matters.

### **3.5 Meetings**

Committee meetings are generally less formal than Board meetings but may resort to more formal procedural rules if it appears necessary. They are typically held at the call of the committee chair or at times regularly scheduled by resolution of the committee or the Board.

### **3.6 Governance and Nominations Committee**

The Governance and Nominations Committee is a Board Committee that possesses specific powers under the Bylaw with responsibility for overseeing the good governance of AO and for overseeing recruitment, orientation and development of the Directors. The Committee is responsible to identify potential candidates for election to the Board, in keeping with the criteria set by the Board. Prior to the Annual General Meeting, and in consultation with Board, the Committee will prepare a slate of Directors for presentation, to the membership at the Annual General Meeting. The Committee will oversee the appropriate conduct of elections or acclamations and the orientation and continuing education and evaluation of the performance of the Board and its members.

#### **Composition**

The Governance and Nominations Committee shall be chaired by the Vice-Chair of the Board. According to its mandate, it shall be comprised additionally of two other Directors and the Board Chair (voting) and CEO (non-voting).

#### **Specific Duties**

The Governance and Nominations Committee shall:

- a) Review bylaws periodically to determine that they are current and that approved policies and actual practices are consistent with the bylaws and with each other.
- b) Develop and recommend policies and amendments thereto as necessary.
- c) Review the structures and policies that govern the Board and its committees to determine that they are current and effective in achieving annual and long term goals



of AO and make recommendations to the Board regarding modifications to these that it considers advisable.

- d) Conduct periodic compliance audits on selected policies to determine that Board conduct and practices comply with approved policies.
- e) Consult with Board members with respect to an annual work plan for this Committee and the Board and recommend such for the Board.
- f) Review and make recommendations to the Board with respect to complaints against Board members or any other extraordinary matters related to the Code of Conduct or conflicts of interest referred for its attention by Board Committees, Operational/Ad Hoc Committees, members, staff, or contractors.
- g) Annually identify intentions of current Board members with respect to their continuing service on the Board to facilitate timely succession planning for the Board and committees.
- h) Identify the characteristics, qualifications and recruitment strategies required to fill immediate and prospective vacancies on the Board and its committees.
- i) Conduct the orientation of new members to the Board and identify and plan for the continuing education needs of current Board members.
- j) Conduct the periodic evaluation of Board and Director performance against standards and expectations as prescribed in the Bylaw and these policies.

#### **4. STYLE OF GOVERNANCE**

The Board of Directors represents the "ownership" or membership of AO. It is the legally constituted authority responsible directly to the Members and funders for prudent oversight of AO's operations. The Board is responsible for long-term planning and direction. It is responsible for the safeguarding of the organizational mission and defining the outputs and outcomes or results it seeks.

The Board will focus on strategic leadership rather than administrative detail; important policy, rather than operational, matters. It will establish and respect distinctions between Board and staff roles and manage any overlap between these respective roles in a spirit of collegiality and partnership that supports the authority of staff and maintains proper lines of accountability.

In this spirit the Board will:

- a) Oversee the management of the business and affairs of AO through careful deliberation consistent with the AO values, vision, mission, strategic orientation and policies.
- b) Provide Board members with the knowledge necessary to fulfil their responsibilities for the good governance of AO.

- c) Be accountable to the Membership for competent, conscientious, and effective accomplishment of its obligations as a board of directors.
- d) Conduct the business of AO in a transparent, legal and ethical manner.
- e) Conduct its business in accordance with the principles of fair play and due process.
- f) Enforce upon itself and its members the behaviour that is needed to govern with excellence. This will apply to matters such as attendance, policy-making principles, respect for roles, maintaining a unified front as a Board outside of Board meetings, and monitoring and correcting any tendency of Directors to stray from the principles of governance adopted in these policies. It will allow no officer, individual, or committee of the Board to either usurp this role or weaken this discipline.
- g) Monitor and regularly discuss the Board's own processes, progress and performance.

## **5. BOARD RESPONSIBILITIES**

Primary Board responsibilities generally fall within eight areas: Mission and Planning; Financial Stewardship; Human Resources Stewardship; Performance Monitoring and Accountability; Risk Management; Stakeholder Representation and Advocacy; Management of Critical Events and Transitional Phases; and Complaints Processes. Committees assist the Board in fulfilling these responsibilities. From time to time the Board may initiate ad hoc working or task groups to take a lead in any of these specific areas of responsibility.

### **5.1 Planning**

One of the most important responsibilities of the Board is to provide general guidance and direction for AO. A comprehensive framework for planning, setting priorities, management and budgeting is essential to effective and responsible organizational stewardship. Good planning results in better communication and a better understanding of how various parts of an organization work together to produce desired results.

#### **5.1.1. Strategic Plan**

The Board, with the assistance of the CEO, and in consultation with Members and other key stakeholders, establishes AO's overall direction through the development and approval of a Strategic Plan. This plan provides a tentative blueprint for AO's general direction and activities for the next three to five years based on a scan of internal and external factors that may bear on the resources and direction of the organization. It identifies the "key areas" in which the Board wants to focus the activities of AO and general goals for each of these areas.

#### **5.1.2. Annual Operating Plan**

The CEO develops annual operating plans and budgets based on the general blueprint contained in the Strategic Plan. These become the focus of work throughout the organization

over the next twelve-month period. They will contain estimates of service demand for the year as well as objectives for improvement in key areas of AO's activity. AO's annual Operating Plan will be the basis of its yearly budget containing revenue and expenditure forecasts related to planned programs and/or volumes of service. This plan will contain more specific objectives than contained in the Strategic Plan; expected results for each objective; the time period during which those results will be sought; and criteria for measuring the achievement of those results. The annual Operating Plan, together with service statistics and the Budget are presented to the Board for review, amendment and approval.

### **5.1.3. Planning Cycle**

The development and approval of the Strategic Plan takes place in a three to five-year cycle with progress monitored and assessed regularly against targets set in the annual Operating Plan and Budget. Performance against interim targets is monitored each quarter of the financial year. The third-quarter review begins a thorough analysis of performance and produces projections of the expected year-end results. Preliminary planning for the coming year's operating goals takes place at the end of the third quarter and is completed late in the fourth quarter with refinements based on actual prior year results concluding in the first quarter of the next year. Service targets and forecasts of financial resources and constraints enter into the final preparation of the coming year's budget.

## **5.2 Financial Stewardship**

The Board is responsible for reviewing the annual revenues and expenditures of AO; from time to time, prescribing criteria for financial control and accountability; seeking adequate financial resources; overseeing the development of financial management and inventory control systems adequate to properly record and monitor financial transactions and control of assets; overseeing the equitable allocation of revenues and expenditures to properly reflect the cost of doing business; monitoring efficient use of resources; overseeing the establishment of proper financial controls and policies including procurement of services; and overseeing the establishment of criteria for management of borrowings, investments and allocation of fundraising proceeds.

The Board shall receive quarterly a written certification of the CEO and Treasurer that: all remittances required by law for deductions at source and sales tax, or any other government remittances have been made; all payments for wages and vacation pay, and any other payments for which Directors may be personally liable and which have been specifically identified in the certificate, have been made; describes any known breach of a material agreement and the status of any claims or lawsuits threatened or initiated against AO including a status update of each; confirms that all insurance coverage (including directors and officers liability insurance) approved by the Board is in full force and effect and that all premiums have been paid; and describes any known material risks (financial or otherwise) to AO that are not already described in the most recent report to the Board from the Risk Management Committee.

### **5.3 Human Resources Stewardship**

The Board is responsible for overseeing the establishment of personnel policies to govern the management of staff and volunteer resources; providing guidelines for staff compensation; succession planning to ensure smooth transition in both Board and senior staff positions; and monitoring compliance with legislative and regulatory requirements.

The purpose of a succession plan for the CEO is to facilitate the selection of a successor quickly and efficiently should a vacancy arise. The Boards should maintain an up-to-date job profile of the CEO position and a detailed organizational chart accompanied by job profiles of other senior staff. The Board may also identify good internal and external candidates to succeed the current CEO or fill the role in the future. If the CEO were to depart suddenly, the Board may need to assign another individual to the CEO position on an interim basis to minimize disruption.

The Board shall oversee the management of grievances from staff with a view to confirming they are managed in accordance with the provisions of the HR policies and fair employment standards and practices.

### **5.4 Performance Monitoring and Accountability**

The Board is responsible for: overseeing the establishment of adequate systems for monitoring organizational performance against strategic and annual operational plans; monitoring the general performance of AO against legislative and regulatory requirements and approved objectives of AO and against benchmarks in similar sectors; and reporting to Members, funders, donors and other key stakeholders.

### **5.5 Risk Management**

The Board will endeavour to ensure: that bylaws are current; that governance practices are consistent with the Bylaw; that adequate insurance provisions are in place to protect AO, the Board, staff and volunteers from potential liabilities; that resources are sufficient to minimize risk to employees, volunteers and beneficiaries of services; compliance with statutory and regulatory requirements; that policies are respected in actual practice; and, that adequate contingency plans are in place to protect against reasonably anticipated risks and crises in order to ensure continuance of business.

### **5.6 Representation and Communications**

The function of Member and public relations is to assist AO in achieving its goals and objectives through the development and execution of programs designed to develop stakeholder understanding and support. The Board is responsible for representing AO positively to its community; fairly representing Member perspectives to Board and staff; seeking stakeholder input to its planning; sponsoring and participating in special events internal or external to AO; and advocating for adequate resources to fulfil the organizational

mandate.

Authority to speak on behalf of AO shall rest with the Chair and the CEO. This authority may be delegated by either of them to others in the organization within their special fields of competence or knowledge.

In general, the Chair will represent AO on matters of Board policy and the CEO will represent AO on operational issues. Either may represent AO on issues related to advocacy on behalf of the AO mandate. Any major statements of an advocacy nature must be consistent with the general parameters of Board- approved policies or positions.

This is not intended to inhibit private expression of personal or professional opinions, but care should be taken by individual Directors to distinguish such opinions from positions of the Board. Directors are also expected to avoid public statements that might undercut or obscure the messages conveyed by AO's approved spokespersons.

## **5.7 Management of Critical Transitional Phases or Events**

The Board is responsible for managing, or overseeing the proper management of, critical transitional phases and events. These include turnover in key positions in the Board and senior management; rapid growth or decline in resources; and issues of significant internal or external conflict or controversy.

## **5.8 Dispute Resolution**

The Board has approved several policies, contained in the AO Safe Sport Policy Manual, that address dispute resolution. Where appropriate, those involved in a dispute should use the procedures under those policies.

The CEO will report periodically to the Board the nature, status and disposition of any specific and significant complaints received about the activities, administration or governance of AO. The CEO will also report periodically to the Board the nature, status and disposition of complaints made in accordance with the policies in the AO Safe Sport Policy Manual.

## **6. EXECUTIVE AUTHORITY**

The CEO is appointed by the Board to manage and administer AO's day-to-day business in a manner consistent with the Bylaw, the CEO job description and the policies of AO. The CEO is responsible, within parameters established by the Board, for determining the methods or 'means by which the Board's directions and policies will be executed and the desired outcomes achieved.

The CEO is appointed by the Board and is therefore responsible to the Board as a whole rather than to individual members of the Board. The CEO is required to implement policies as determined by the Board, consistent with the requirements of any relevant legislation or

regulations. In the exercise of these responsibilities, the CEO is:

- a) Authorized to expend funds and to sign contracts within the parameters of the annual budget and operating plan approved by the Board;
- b) Responsible for bringing to the attention of the Board the need for special and exceptional expenditures not included in the budget;
- c) Required to report to the Board if it is not possible to operate within the limits of the budget approved by it;
- d) Expected to provide advice to the Board on policy and program/service issues that affect the programs offered or services provided by AO;
- e) Required to provide the Board with the information it requires to govern effectively, make informed decisions, ensure a high quality of services and administration, and monitor the overall performance of AO in achievement of approved objectives.
- f) Responsible for hiring all staff members within the classifications and salary ranges approved by the Board. Board members should bear in mind that staff report to the CEO or to a person designated by the CEO, not to the Board as a whole or to any individual Director, regardless of office. In the supervision, direction and deployment of personnel, the CEO is governed by the documented personnel practices and procedures approved by the Board.
- g) Responsible for performing the specific responsibilities that are described in the policies related to responsibilities of the Board, the roles of the Board Chair, of other Officers and individual Board members, and in the job description of the CEO.

## **6.1 Delegation to the CEO**

The Board's job is generally confined to establishing broad policies for achievement of organizational objectives. The CEO is responsible for execution of those policies. All delegated to staff is delegated through the CEO, so that the authority and accountability of staff derives from the authority and accountability of the CEO.

The Board in its entirety, rather than individual directors, officers or committees, is responsible for providing direction to the CEO. However, the Chair, on behalf of and accountable to Board, may provide on-going support and guidance to the CEO within the context of a reasonable interpretation of Board policies. Furthermore, periodic informal communication between Board members and the CEO between formal meetings is encouraged for the purpose of ensuring a free flow of information; understanding of issues; and maintenance of constructive working relationships.

## **6.2 Appointment of the CEO**

Recruitment, selection and appointment of the CEO are, along with performance monitoring, among the most important responsibilities of the Board. Appointment of a CEO should be made with the confidence of the full Board or at least by strong consensus.

In the event that the CEO's performance is deficient to the extent that there is a critical loss of confidence in the incumbent, the Board is responsible for ensuring, as amicably as possible, a termination of the relationship. Dismissal of the CEO shall be decided by a majority of votes, each Director present at the meeting having one vote, in favour of dismissal at a meeting duly called to consider such action.

### **6.3 CEO Performance Evaluation**

#### **6.3.1. General**

The CEO is the official link between the Board and AO. The responsibilities of the CEO lie in the exercise of delegated authority and compliance within parameters established by Board policy and directives.

Consequently, the CEO's job contributions can be expressed as performance with respect to six components:

- a) CEO's Job Description.
- b) Organizational achievement of operating plan and organization objectives.
- c) Organizational operation within the boundaries established in Board policies.
- d) Quality of relationship with staff.
- e) Quality of relationship with Members and other major stakeholders.

The essence of the performance evaluation shall be results-focused rather than subjective or personality oriented and shall be consistent with fair employment practices. The annual evaluation will provide an over-all assessment of performance relative to this policy statement and the terms of employment of the CEO.

#### **6.3.2. Procedure**

The evaluation of the performance of the CEO and the reporting to the Board shall be conducted in accordance with the Executive Performance Incentive Plan, a copy of which is included in these policies as Appendix III.

The CEO's personnel record shall be kept by the Chair.

The Chair shall provide the CEO with more informal feedback on his/her performance on a regular basis as issues may arise and at least once midway between formal appraisals.

## **6.4 Staff Appointments**

The CEO, in order to maintain proper lines of authority and accountability, has full authority to recruit, evaluate, set compensation, and dismiss all staff unless otherwise specified in the Bylaw or these Governance Policies.

Decisions with respect to discipline and termination of employment for incumbents in these positions shall be carried out in confidential consultation with the Board Chair.

The CEO shall provide an in-camera report to the Board on any dismissal of such staff, in such detail as will maintain employee confidentiality and without prejudicing any possible legal claims related to such dismissal.

## **7. BOARD DEVELOPMENT**

### **7.1 Recruitment and Screening of New Board Members**

Members, in accordance with the Bylaw, elect Directors to the Board. The Governance and Nominations Committee will, as vacancies occur or are anticipated, review the needs of the Board for specific expertise, resources, skills or diversity necessary to bring strength, balance, credibility, and perceived legitimacy to the Board and present these to the Board for its consideration.

### **7.2 Orientation of New Board Members**

The Governance and Nominations Committee shall provide new Board members with an orientation to their position within a reasonable period of becoming a member of the Board. Each new Board member may also be assigned a more experienced member as a “buddy” or mentor to help integrate the new Director and answer any questions the Director may have about Board procedures. Orientation includes but is not limited to:

- The history, mission and purpose of AO
- An organizational chart
- Role, structure and functions of the Board, committees, and key staff
- Letters Patent, Supplementary Letters Patent, Bylaw, and Governance Policies
- Safe Sport Policy Manual, which includes the Code of Conduct
- The Oath of Office
- The current Strategic Plan
- Calendar of meetings and events
- Procedures for Board member expenses



- Introduction to key staff

## **8. BOARD MANAGEMENT**

### **8.1 Meetings**

Meetings of the Board will be held upon the call of the Chair or as otherwise provided in the Bylaw.

Discussion at meetings of the Board will be confined to those issues that clearly fall within the Board's authority according to its responsibilities outlined in the Bylaw, and these Governance Policies. Board deliberation at meetings will be timely, fair, orderly, thorough, and efficient. While the Chair will strive for consensus amongst Board members, this will not be done at the expense of timely and efficient decision processes.

The Bylaw and the governing corporate legislation contain certain rules that govern the conduct of meetings and decision-making processes. The Board may adopt other “rules of conduct”, not inconsistent with the Bylaw and the legislation to assist in the orderly conduct of meetings and decision making.

### **8.2 Attendance**

Carrying out the work of the Board effectively requires a commitment to attend all Board and committee meetings as required. Any Board member who is absent, without reasonable excuse as determined by the Board, from three consecutive meetings will be considered to have resigned his/her position and shall be so informed in writing.

The Director shall cease to hold office as of the date of the notice in writing.

### **8.3 Board Work Plan/Objectives**

The Board will develop a plan and objectives for its own work in support of the Organization's goals as articulated in the approved Strategic Plan and the annual operating or business plan.

### **8.4 Board Self-Evaluation**

The Board shall periodically review its own progress on its work plan objectives and its effectiveness. It shall conduct an annual formal assessment, in a manner prescribed by the Board, of its own performance, and shall take any steps for improvement in its governance practices suggested by such review.

### **8.5 Conflict Resolution**

Board members typically bring diverse views on issues to Board debates and decision-

making. Constructive disagreements between Board members are encouraged in a well-functioning Board. They can generally be managed by following proper rules of procedure and encouragement of good listening skills. However, in the heat of Board debate, disagreements may sometimes degenerate into serious conflict on issues or between personalities.

The Board Chair is responsible for managing such conflicts. A neutral Board member should be selected if the Board Chair is a party to the conflict. It is important to identify early on whether the conflict is based on the immediate issue at hand or has deeper roots based on differences in personal values and history, personalities, personal or political agendas, gender, or culture. In appropriate circumstances and depending on the nature of the conflict, the provisions of the Complaints, Dispute Resolution and Discipline Policy may apply.

## **8.6 Board Member and Staff Expenses**

Board members will be entitled to reimbursement for expenses incurred during activities required to carry out their duties on behalf of AO. Staff members are entitled to be reimbursed for expenses incurred during activities required to carry out their duties on behalf of AO.

- a) The Board, in accordance with accepted market standards for comparable organizations, shall annually decide the rate at which travel expenses may be reimbursed.
- b) The rates, at which staff expenses may be reimbursed, shall be decided from time to time by Board motion.
- c) The Treasurer is responsible to recommend, to the Board, appropriate rates of reimbursement for expenses incurred by the CEO and other staff.
- d) Any Board member expenses must be documented on an approved expense form and be authorized by the Treasurer. The Board Chair shall review and authorize the Treasurer's Expense forms, if any, and vice versa.
- e) Any expense claims by the CEO must be documented on an approved expense form and be authorized by the Treasurer and reviewed at least quarterly by the Chair.
- f) Claims for expenses by other staff shall be approved by the CEO consistent with rates provided in policies approved by the Board, upon the recommendation of the CEO.

## **9. BOARD DECISION-MAKING**

### **9.1 Decision-Making Process**

Decisions of the Board are made as a group at Board meetings at which a quorum of the Board is present. A majority of Directors in office, but no fewer than four elected Directors constitutes a quorum for Board meetings. A quorum is required for the transaction of any business of AO. Decisions will ideally be made through a consensus development process

leading to a declaration by the Chair that a motion has been approved or a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all, or at least the largest possible majority, of the Board members can support prior to a vote. Where disagreements continue to exist, dissenting Board members may request that their objections be recorded in the minutes. A favourable vote of a majority of the members present, regardless of abstentions, is required for approval.

Directors have the right to discuss questions before the Board and make their decisions in an uninhibited atmosphere. Directors will welcome and respect the diverse views of their colleagues, maintain confidentiality as required and offer public support for Board decisions.

## **9.2 In Camera Meetings**

An in camera session is a useful tool for protecting and advancing the effective functioning of the Board. These sessions provide a forum for handling issues that are best discussed in private, for creating robust discussions and strengthening Board communications.

In camera sessions:

- Enhance the confidentiality and protection of sensitive opinions and information
- Offer a mechanism for Board independence

These sessions are exclusive to Board members (i.e. all staff and guests step out of the room or exit the virtual session), but sometimes the Board may invite the CEO or external advisors to join for part of the session. Invitations to join an in camera session are the exclusive domain of the Chair.

Best practice is to call an in camera session for every Board meeting as a regular agenda item.

An in camera session is typically scheduled at the end of such meeting. The Board Chair may decide to call an unscheduled in camera session. When the purpose of the in camera session is achieved, the regular Board meeting may resume.

After an in camera session, the Board Chair should summarize the substance of the session to the CEO while maintaining confidentiality as to who said what.

Common agenda items for in camera sessions include:

- peer-to-peer Board discussions
- the CEO's and senior management's performance
- compensation review
- personnel issues
- Board succession planning
- Any matter of concern that the Board would like to discuss without management present.

The process for calling and conducting in camera sessions involves the following:

- The Chair will clarify who is to be present at the in camera session and will initiate an in camera session by a motion to move in camera
- Minutes are not taken during in camera sessions as these sessions are not intended as a time for formal business other than the approval of the CEO's contract.
- If there are formal votes taken in camera, these will be reported when the Board goes back into general session and recorded in the minutes of the Board meeting.
- The Secretary will make a note of any action items determined in the in camera session and will raise the items at the next in camera session or ask the Chair to add them to the agenda for the next Board meeting if appropriate. These notes will not be distributed with the minutes of the Board meeting.

Best practice for Board Committees is to hold in camera sessions as part of every meeting. There are examples when Board committees must meet in camera, such as the in camera meeting of the Finance Committee with AO's auditors to ask the auditors whether they had full cooperation from the staff during the audit, whether there were any disagreements with the staff about the audited statements, and whether the auditors have any concerns as a result of their audit.

**APPENDIX I – AO Organizational Chart**

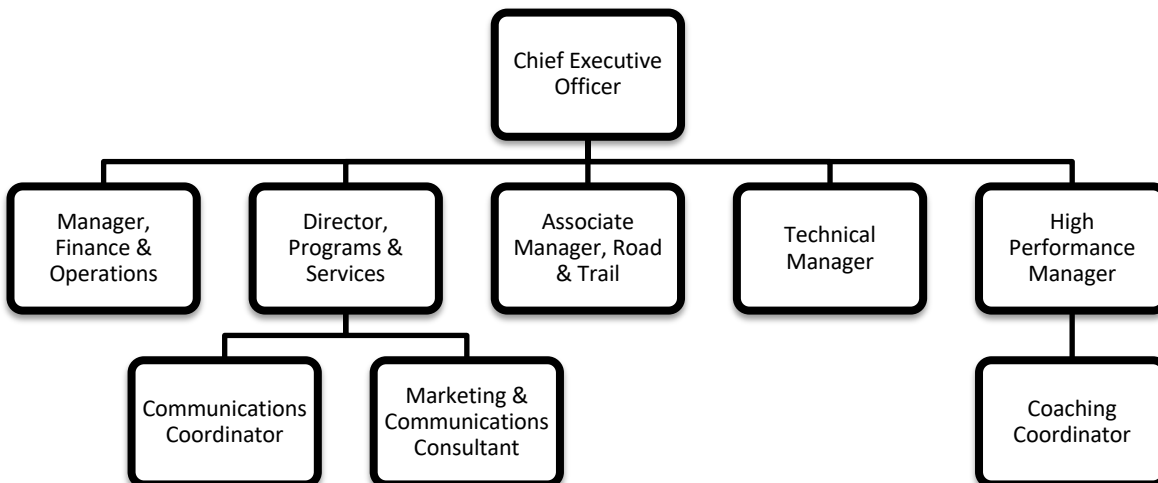
**Operational/Ad Hoc Committees**



**Board of Directors Committees**



**Staffing Structure**



## APPENDIX II – Oath of Office

I, insert name, a director of AO, declare that, in carrying out my duties as a director, I will:

1. Exercise the powers of my office and fulfil my responsibilities in good faith and in the best interests of the AO.
2. Exercise these responsibilities, at all times, with due diligence, care and skill in a reasonable and prudent manner.
3. Respect, support and comply with the AO’s By-law, Governance Policies, Code of Conduct and other policies, procedures, rules, and regulations, and decisions of the Board.
4. Keep confidential all information that I learn about members, personnel and any other matters specifically determined by board motion to be matters of confidence, particularly those matters dealt with during in-camera meetings of the Board.
5. Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board and subordinate my personal interests to the best interests of AO
6. Immediately declare any real or apparent personal conflict of interest that may come to my attention.
7. Immediately resign my position as director of AO in the event that I, or my colleagues

*Signature:*

*Date:*

## APPENDIX III - Executive Performance Incentive Plan

### EXECUTIVE PERFORMANCE INCENTIVE PLAN

#### 1. BACKGROUND

The Executive Performance Incentive Plan is designed to provide structure for the annual review and consideration of incentive reward that is based on predetermined performance goals.

#### 2. INCENTIVE PLAN OBJECTIVES

The Incentive Plan objectives:

- Support the strategic priorities of Athletics Ontario (AO) by setting performance objects aligned with attaining its strategic goals.
- Provides a mechanism to enhance Athletics Ontario’s ability to provide competitive pay to attract the highest quality Executives.
- Rewards and helps to retain high-performing Executives through the delivery of incentive compensation.

- Focuses the attention and efforts of the Executive on the issues that are most important to the mission of Athletics Ontario by placing a significant portion of the Executive's compensation on attaining specific goals.

### **3. THE INCENTIVE PLAN**

#### **3.1 Eligibility**

The Executive may participate in the Incentive Plan for a performance period if he or she is both:

- a) employed by Athletics Ontario on a full-time basis, and
- b) approved by the Board of Directors as eligible to participate in the Incentive Plan.

A newly hired Executive or an individual promoted into the Executive position may participate on a prorated basis. The Board of Directors may, at its discretion, designate the employment position of a newly hired or promoted employee as eligible to participate in the full Incentive Plan for any performance period or remainder of a performance period.

An Executive will cease to be a participant in the Incentive Plan for whichever of the following occurs first:

- the date an Executive is no longer a full-time employee with Athletics Ontario;
- the date the Incentive Plan is terminated;
- the date the Executive begins a leave of absence; or
- any date selected by the Board of Directors as the date on which the Executive is no longer a participant.

#### **3.2 Setting Performance Goals**

Performance goals for the upcoming fiscal year will typically be finalized annually no later than the first quarter. Performance goals for a new Executive will normally be finalized within 60 days from the first day of employment at Athletics Ontario. The AO performance period is April 1 to March 31.

The Board Chair or designated individual will negotiate annual performance objectives and recommend to the Board for final approval. The Executive will, at the beginning of each fiscal year, draft objectives for discussion with the Chair. This document may have both organizational wide goals and specific functional goals.

Performance goals should be SMART (Specific, Measurable, Achievable, Relevant to the strategic and operational plans and Time sensitive), realistic, but aggressive, and should address the highest-level issues of greatest priority in advancing Athletics Ontario's interests.

#### **3.3 Assessing Goals**

Assessing the achievement of performance goals, as set out in the AO Governance Policy, under

Executive Performance Evaluation, includes deliberation of the degree to which an Executive has effectively executed their duties and addressed issues of greatest priority, and, as appropriate, may include either quantitative goals and/or qualitative goals.

Three levels will be used to assess an Executives performance relative to established performance goals:

- 1) **Threshold** - an individual came close to meeting but did not fully meet a goal.
- 2) **Target** - an individual fully met a goal.
- 3) **Maximum** - an individual significantly exceeded a goal.

The essence of the performance evaluation shall be results-focused and consistent with fair employment practices. The Chair or designate, shall assess the extent to which the Executive has attained their performance goals.

The Executive, at the end of each fiscal year shall: (i) complete a written self-evaluation of progress on meeting objectives approved by the Board; and (ii) complete a report on overall organizational performance for the preceding year. This material, along with Board members' observations of the Executives key relationships during the year, shall form the basis of the evaluation by the Chair.

All assessments for the prior fiscal year shall be completed within the first quarter. The Chair will conduct a final review of the assessments and make recommendations in preparation for consideration by the Director's at the next board meeting (in camera).

### **3.4 Incentive Plan Award**

The incentive award within this Incentive Plan is **10%** of the Executive's base salary.

Award opportunity levels will be adjusted to reflect the Executives success in achieving established performance goals. Based upon meeting Threshold, Target or Maximum the awards will be provided as follows:

- 1) meeting **Threshold**<sup>1</sup> will earn the Executive 50% of the potential award;
- 2) meeting **Target** will earn 100% of the potential award, and
- 3) significantly exceeding, **Maximum**, the Executive will earn 130% of the potential award.

**Note:** The Executive Performance Incentive Plan is a discretionary bonus. The Board of Directors has full discretion over the amount of the approved award and is not obligated to make any award.

In addition, the Board may, at its discretion, award the Executive a supplementary bonus award

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<sup>1</sup> There is no award calculated or awarded for performances below "Threshold" (less than 50%).



in the case of an exceptional and exceedingly deserving circumstance<sup>2</sup>. The Board of Director's shall determine the amount with guidance from the Chair and Treasurer.

### **3.5 Incentive Award Payments**

Incentive awards will be considered annually following the performance period and will normally be approved by the Board of Directors' within the first quarter and paid as soon as practical thereafter.

Incentive award payments will be made in a lump sum and are subject to the following deductions:

- a) Tax withholding required by federal and provincial governments. Withholding is due regardless of whether the incentive award payment is deferred and not payable at such time, and
- b) Any and all amounts owed by the Executive to Athletics Ontario at the time the incentive award is issued.

Calculation of prorated incentive awards, if applicable, will be based on the Executives achievement of performance goals and the length of time an individual was eligible to receive an incentive award during the performance period.

### **3.6 Payment of Incentive Award upon Termination of Employment**

Except as noted below, an Executive who ceases to be an employee, either because of termination of employment with Athletics Ontario or for any other reason listed below, prior to the end of a performance period will not be eligible to receive payment of any incentive award for that or any subsequent performance periods.

If an Executive ceases to participate in the Incentive Plan, prior to the end of the performance period, due to the start of an approved leave of absence or retires, the Executive's incentive award for that performance period, if any, will be calculated on a prorated basis from the first day of the performance period to the start of a leave of absence or retirement. In addition, the Executive will not be entitled to any incentive awards for any future performance period unless they are eligible once again, as described under 'Eligibility'.

An Executive who transitions from another salary position, during a fiscal year, and is in an 'Eligible' position for an entire performance period; the incentive award payment will be calculated by prorating their performance.

The following chart outlines the treatment of an incentive award payment upon termination of an Executive's employment:

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<sup>2</sup> The Executive delivered a strategic goal, which significantly exceeded performance and resulted in an unanticipated monetary or comparable gain for Athletics Ontario. For example, exceeding a revenue target of \$100,000 by delivering \$200,000.

Termination Reason	Forfeit	Prorated	Board of Directors
Death, Leave of Absence or Retirement		X	
Resignation	X		
Termination			X

### 3.7 Annual Dates

The chart below provides a schedule for the completion of the annual Executive performance goal setting and review.

Annual Due Dates	Action
March - Propose Goals for <u>Upcoming</u> Fiscal Year Developed Using Template Provided	Proposed goals for upcoming fiscal year are developed by Executive and submitted to the Chair for consideration by March 30.
April - Self-Assessment of <u>Prior</u> Fiscal Year's Goal Attainment Using Template Provided	Self-assessment of prior year's goal achieved prepared by Executive and submitted to Chair by April 15.
April - Propose Goals for <u>Upcoming</u> Fiscal Year Processed and Approved	Performance goals for upcoming fiscal year are discussed with Executive, possibly revised, and agreed upon with the Chair by April 30.
May/June - Performance Evaluations <u>Prior</u> Fiscal Year's Goals	Performance evaluation process completed by Chair for recommendation to the Board for final approval.
May/June - <u>Prior</u> Fiscal Year's Incentive Award Recommendations	Chair makes recommendations to the Board of Directors for approval and payment of incentive award. Award is paid as soon as possible following Board approval.

## 4. INCENTIVE PLAN AUTHORITY, RESPONSIBILITY AND INTERPRETATION

### 4.1 Authority

The Executive Performance Incentive Plan is administered by the Chair or designate. The Board of Directors and the Chair have all powers under the AO By-Laws and Policies necessary or advisable to administer or direct administration of the Incentive Plan as it determines in its discretion, including without limitation, the authority to:

- 1) establish the conditions for the determination and payment of compensation by establishing the provisions of the Incentive Plan,

- 2) determine the Executive's eligibility to participate in the Incentive Plan, and
- 3) designate to an individual or committee, any of its authority and/or duties under the Incentive Plan. Any delegation shall be in writing.

#### **4.2 Responsibility/Rights**

The Board of Directors, at its discretion:

- may amend the Executive Performance Incentive Plan or any portion, from time to time;
- suspend the Plan for a specified period; or
- terminate it entirely, or any portion within the Plan.

If the Incentive Plan is suspended or terminated during a performance period, the Executive will receive a prorated incentive award based on performance achieved through the performance measurement date prior to suspension or termination. The Incentive Plan will be in effect until suspension or termination by the Athletics Ontario Board of Directors.

The Board Chair will maintain all records for the Executive Performance Incentive Plan, including goals approved by the Board, reviews and associated Plan documents.

#### **4.3 Interpretation**

The Board of Directors has the discretion to interpret the Executive Performance Incentive Plan and may from time to time adopt such rules and policies that it may deem prudent to carry out the Incentive Plan. All decisions made by the Board of Directors in determining the eligibility of an Executive to receive incentive awards, including the payment amount, and in interpreting the provisions of the Incentive Plan, including without limitation the terms of any incentive awards, are final.

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#### **APPENDIX IV – Financial Policies**

Please see AO Financial Policies document

#### **APPENDIX V – Human Resources Policies**

Please see AO HR Policy and Employee Handbook