

THE AGENCY FOR CO-OPERATIVE HOUSING

POLICY MANUAL

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1.2.1: Board of Directors Charter,
1.4.2: Ethical Conduct, 2.4: Confidentiality and
Access to Information

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3 Years

AUTHORITY:

Board of Directors

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June 2025

SUBJECT:

Role of the Individual Director

ROLE OF THE DIRECTOR

The role of the individual director is to attend to the good governance of the Agency as one member of the team comprising the Board of Directors.

ACCOUNTABILITY

Individual directors are accountable to the full Board of Directors.

DUTIES AND RESPONSIBILITIES

Individual directors have no power outside board meetings, apart from any authority specifically delegated by the Board of Directors. However, at law, the Board itself has not only substantial power, but also discretion in its use. Individual directors have significant duties and responsibilities, in consequence.

The Board of Directors is charged with protecting the Agency's assets, safeguarding the public interest, honouring the rights of employees and creditors, and seeing to it that, in fulfilling its mandate and meeting the terms of its agreements with its government clients, the Agency makes effective and appropriate use of resources. Individual directors, as members of the Board, are expected to bring the full weight of their experience, integrity, judgement and abilities to this task.

An individual director has the following specific duties:

1. Fiduciary Duty

1.1. Acting in Good Faith

Each director must act honestly, in good faith and in the best interests of the Agency at all times. The director must attempt to balance the Agency's long-term and short-term concerns, placing the Agency's interests ahead of those of any other person or organization.

1.2. Freedom to Act

Directors must vote according to their best judgement, unconstrained by any private agreements or understandings with other directors, employees or other parties. A director may take advice, but not instruction, from any quarter and must retain the freedom to act faithfully in the Agency's best interests. Although appointed by CHF Canada, directors must remember that the Agency owes a duty of accountability to CMHC and other stakeholders. Directors must not let themselves be unduly influenced by CHF Canada or any of its member constituencies.

1.3. Ethical Conduct and Conflicts of Interest or Loyalty

A director must remove themselves from situations where there is—or where others might see—a conflict between the director's interests and their duties of free action, good faith and loyalty to the Agency. This obligation refers both to the director's own interests and to the interests of any organization of which the director is an officer, director, employee or member or to which the director has any other tie. For example, a director must avoid the following:

- enabling another organization to profit from a business opportunity that could have gone to the Agency;
- not acting when action would be in the Agency's best interests;
- doing anything that puts the director's personal interests in conflict with the best interests of the Agency;
- doing anything that would give the director a benefit that could have gone to the Agency;
- owing money to any housing co-operative other than scheduled future payments to purchase shares or pay a member deposit or loan.

Directors must pledge their good faith by signing any ethical-conduct agreement the Agency may adopt.

2. Duty of Care, Skill and Diligence

- 2.1. Drawing on the full range of their talents, education and experience, every director must act with the degree of care, skill and diligence that a reasonable person would exercise in similar circumstances.
- 2.2. This standard of diligence implies that a director will
 - study the Agency's vision, mission, values, policies and agreements with government clients;
 - become familiar with the requirements of legislation governing the Agency and the duties of the Board and individual directors;
 - prepare for and take part, unless excused, in all meetings of the Board and any committees to which the director is assigned;
 - maintain, for their own reference, adequate notes of meetings and decisions;
 - volunteer for and complete a reasonable share of tasks on behalf of the Board.
- 2.3. Directors must seek to understand everything presented to them, using board meetings to question anything doubtful or unclear and to ask for any further information they may need. They must be alert to the importance of ensuring that all board members, the Chief Executive Officer and staff are acting within their authority and in the best interests of the Agency.
- 2.4. It is the responsibility of every director to help the Board execute its full job description, which includes the duties given to the Board in the Agency's by-laws and policies, in the Agency's agreements with government and under all applicable laws.

3. Reputation

Whenever appearing in public, whether on the Agency's behalf or otherwise, a director is a representative of the Agency and is expected to present a positive image through attitude, speech and conduct. Directors must strive not to embarrass the Agency, CMHC or the government of Canada through their behaviour or representations.

4. Communications

- 4.1. Directors are expected to share all information relevant to the Agency and likely to be useful to the Board in its deliberations, including the views of any stakeholders with which they may be familiar.
- 4.2. Directors must observe the letter and the spirit of the Confidentiality and Access to Information Policy, giving information where appropriate while carefully respecting

all confidentiality requirements. A director in doubt of their responsibility in this regard should ask the advice of the Board or the President.

- 4.3. The Agency's Agreement with CMHC gives it freedom to communicate with clients, stakeholders and the public on all factual, programmatic matters. However, unless it first gets CMHC's permission, the Agency is barred from public communications on other topics covered under the Agreement and from responding to requests from the media or elected officials at any level of government for information about CMHC or matters under the agreement. Directors must observe this restriction in their communications with clients, stakeholders and the public, including meetings, conversations, e-mail and other correspondence.
- 4.4. In keeping with their duty to act always in the Agency's best interests, individual directors are expected to help the Board Chair maintain a vital environment that welcomes debate and engages all Board members. However, once the Board has made a decision, individual directors must be mindful of their obligation to support it when communicating with clients, stakeholders and the public, or at least to refrain from any public criticism of the Board's decision.
- 4.5. Directors are free to share personal opinions about issues on which the Board has not decided, but must ensure that clients, stakeholders and the public know they are speaking only as individuals. Directors must not respond to an issue before ensuring that their information is current and complete.