

## Board of Directors Charter

### 1. Purpose of Charter

The Board of Directors Charter sets out the accountability, role and responsibilities, composition, and processes of the Board of Directors (hereafter the Board) of Canada's Drug Agency.

### 2. Accountability

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

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

The Board is subject to the provisions of the Canada Not-for-Profit Corporations Act and frames its policies and functions in accordance with its Articles of Incorporation, its by-laws, and the wishes of its Members. In cases of conflict between this Charter and the organization's by-laws, the by-laws will prevail.

### 3. Key Board Responsibilities

Area of responsibility	Description	Supporting materials
Legal and fiduciary	<ul style="list-style-type: none"> <li>Monitoring compliance with all legal and regulatory obligations</li> <li>Ensuring the organization operates within the scope of its governing frameworks, including its by-laws, policies, Board Charter, and committee terms of reference</li> <li>Conducting itself in an ethical manner through appropriate disclosure practices and internal controls</li> </ul>	Certificate of Compliance Risk Management Policy and Process Board of Directors FAQ
Strategic planning, vision, and strategic goal	<ul style="list-style-type: none"> <li>Setting the organization's vision, strategic goals, and core values</li> <li>Setting the strategic direction of the organization to ensure it meets the needs of its Members</li> <li>Approving the Strategic Plan</li> </ul>	Strategic Plan CEO Update to the Board Semi-annual progress reports

Area of responsibility	Description	Supporting materials
	<ul style="list-style-type: none"> <li>Monitoring and ensuring implementation of the strategic direction by the CEO and management team</li> </ul>	Annual performance infographics
Financial planning, oversight, and reporting	<ul style="list-style-type: none"> <li>Providing input to and approving the annual Business Plan and budget, and understanding the major business assumptions and risks</li> <li>Monitoring progress against the Business Plan and budget</li> <li>Approving any expenditure outside the approved budget</li> <li>Ensuring appropriate financial auditing and reporting</li> <li>Providing financial oversight and ensuring the financial viability of the organization</li> <li>Ensuring procurement is conducted in a fair, competitive, and transparent fashion</li> </ul>	Business Plan CEO Update to the Board Signing Authority Policy Procurement Policy Quarterly financial statements Annual Audit Plan and audited financial statements
Risk identification and management	<ul style="list-style-type: none"> <li>Ensuring policies and processes are in place to identify, assess, monitor, and manage risks (e.g., legal, ethical, and reputational), and to indemnify the organization, the Board, and employees from potential risks and liabilities</li> <li>Ensuring that an appropriate conflict of interest policy is in place</li> <li>Approving, adopting, and ensuring the implementation of Board governance policies</li> </ul>	Conflict of Interest Policy Risk Management Policy and Process Issues and Crisis Communications Policy
Performance evaluation	<ul style="list-style-type: none"> <li>Monitoring and assessing organizational performance to ensure value for money for the organization's Members through the evaluation of drugs and other health technologies</li> <li>Appointing, providing oversight to, and evaluating the President and CEO, and ensuring appropriate succession planning</li> <li>Assuming responsibility for regularly evaluating its own performance and that of its committees and individual Directors</li> <li>Ensuring the ongoing health and effectiveness of the Board and the education of Board Members</li> </ul>	Independent evaluation CEO Annual Performance Review process Semi-annual progress reports Annual performance infographics Annual Board Assessment Regularly scheduled development sessions Exit interviews with departing Directors
Key interfaces	<ul style="list-style-type: none"> <li>Creating and maintaining an open and engaging relationship with its Members</li> </ul>	Government Relations Plan (in development)

Area of responsibility	Description	Supporting materials
	<ul style="list-style-type: none"> <li>• Listening to and being responsive to its customers and to its program committees</li> <li>• Ensuring the organization communicates appropriately with collaborators</li> <li>• Contributing to the maintenance of strong partners, and collaborator and industry relations</li> </ul>	Board Communications Plan (in development)

## 4. Composition (By-laws: Article 5)

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

### 4.1 Board Chair

The Board Chair is a non-jurisdictional Board Member and is independent insofar as they are not an employee of any federal, provincial, or territorial government. The Chair is elected by and accountable to the Members of the Corporation.

### 4.2 Vice-Chair

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

### 4.3 Jurisdictional Directors

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

### 4.4 Non-jurisdictional Directors

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

### 4.5 President and CEO

The President and CEO is an ex-officio, nonvoting Member of the Board and also serves as the Secretary-Treasurer of the Corporation.

## 5. Board Member Responsibilities

Each Director is responsible to act honestly, in good faith, and in the best interests of Canada's Drug Agency and to assist in exercising the duties and responsibilities of the Board, and in so doing to support the organization in fulfilling its mission and discharging its accountabilities.

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

### 5.1 Responsibilities of all Board Members

Directors will:

- regularly attend meetings and come prepared to fully participate in discussions
- collectively own the agenda and meeting outcomes
- be active listeners and participants in Board discussions and provide an opportunity for all other Members to participate in discussions
- actively engage in the Board orientation, education, and evaluation processes
- contribute to the consensus decision-making process adopted by the Board
- serve on a Board committee or task force, as requested
- debate issues and share ideas and opinions, in an atmosphere of candour, mutual respect, and courtesy
- bring a personal, jurisdictional, and/or sector perspective to enrich Board discussions while retaining fiduciary responsibility for the organization as a whole and, once a decision has been made, actively support the decision, ensuring that the Board speaks with 1 voice
- respect the confidentiality of information, discussions, and materials to which they are privy when carrying out their duties
- champion Canada's Drug Agency and its work among its constituencies and the public
- work collectively, channelling inquiries about operational matters through the Chair.

### 5.2 Board Chair

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

- setting the style of leadership and communicating through their own actions, commitment to the vision, strategic goals, and values of Canada's Drug Agency
- ensuring the integrity and effectiveness of the Board's governance role and processes
- facilitating effective review, analysis, and discussion at Board meetings
- presiding at meetings of the Board; should the Chair be absent from a meeting, the Vice-Chair of the Board shall chair that particular meeting
- acting as an ex-officio Member on all Board committees and task forces
- ensuring effective communication and maintaining effective relationships with individual directors, senior management, Members, and collaborators
- serving as the official spokesperson for the Board on matters of corporate governance; the President and CEO is the official spokesperson for the organization
- representing the Board in matters requiring consideration by the Conference of Deputy Ministers
- representing the Board in dealings with government and regulatory authorities, as required
- reporting on behalf of the Board to Members at each annual general meeting
- serving as the Board liaison with the Liaison Deputy Minister, who is appointed by the Members from among themselves and is responsible for communications and liaising between the Conference of Deputy Ministers and the Board.

### **5.3 Vice-Chair**

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

### **5.4 Jurisdictional Directors**

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

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

## 6. Observer to the Board (By-laws: Article 5)

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

## 7. Officers (By-laws: Article 8)

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

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

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

## 8. Terms of Office (By-laws: Article 5)

The Chair is elected by the Members for a 3-year term and may be re-elected for 1 additional term of office.

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

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

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

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

## 9. Board Meetings (By-laws: Article 7)

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

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

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

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

## 10. Decisions and Quorum (By-laws: Article 7)

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

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

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

## 11. Board Committees (By-laws: Article 6)

### 11.1 Standing Committees

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

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

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

### **11.2 Ad Hoc Task Forces**

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

## **12. Conflicts of Interest (By-laws: Article 2)**

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

## **13. Amendment**

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

**Approval Date: September 19, 2011**

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

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