

**NOMINATION PACKAGE**

Halton Hills Chamber of Commerce

**BOARD DIRECTOR**

**2023-2024**

*“Your opportunity to initiate new ideas
 to affect, inform and influence the*

*Halton Hills business community.”*

**BOARD DIRECTOR ELECTION INFORMATION**

In accordance with the Bylaws of the Halton Hills Chamber of Commerce, nominations are now open for our Board of Directors.

1. **The completed nomination forms with your picture must be received by the Halton Hills Chamber email prior to 5:00 PM on Tuesday, August 8th to be considered by the Nomination Committee (part of the Governance Committee).**
2. **Nomination Forms will be reviewed by the Nomination Committee and you will be contacted by a member of the committee.**
3. **The Nomination Committee will complete their review and make recommendations in accordance with Halton Hills Chamber of Commerce.**
4. **Recommendations will be made to the Board of Directors on August 17th, 2023, and the chosen nominees chosen will be asked to attend the Annual General Meeting on September 12th at 8:45am. The location will be in Georgetown.**

A Director of the Halton Hills Chamber of Commerce must be committed to leadership and is expected to perform specific duties within the business community. In order to provide you with insight regarding the responsibilities and commitments of an individual member of the Halton Hills Chamber of Commerce Board of Directors, we are providing you with information on the responsibilities of Directors in a not-for-profit organization included within this package.

**WHAT IS EXPECTED OF DIRECTORS?**

**The bylaws mandate that any board director shall be a member in good standing, free of any conflict of interest, and, be willing and able to attend board meetings on a regular basis. In addition, it is highly desirable that candidates should be able to demonstrate a familiarity with the Chamber’s operations and activities and a level of involvement that demonstrates an ongoing commitment to the Chamber’s goals and objectives.**

Current involvement in a Halton Hills Chamber of Commerce committee or a task group is an excellent way for a candidate to gain experience and demonstrate commitment. In addition, the Board recognizes that to be effective it should represent as broad a range of industries as possible. This is important for the HHCC to be effective, forward-thinking, and have the ability to provide worthwhile input to municipal, provincial and federal levels of government on a variety of issues.

Please give these matters your serious consideration while you are completing the enclosed **nomination form, the candidate’s profile, and digital photo.** When you have completed the nomination form, please email it to the Halton Hills Chamber of Commerce.

**Attention: The Nomination Committee - HHCC**

E-Mail: mfrazer@haltonhillschamber.on.ca

REQUIREMENTS FOR A

HALTON HILLS CHAMBER OF COMMERCE

BOARD OF DIRECTOR

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| * Follow the Chamber of Commerce Bylaws in all respects and diligently work to improve them as and when the opportunity occurs.
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| Review your board package before board meetings to discuss issues responsibly. |
| * Attend the first introductory Board meeting being held at 9:00 AM on

 Tuesday, September 12, 2023. |
| * Attend as many Chamber events, as possible. The AGM (September), Business Excellence Awards (October), and the Mayor’s Address (December) are considered mandatory for Board members.
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| * Attend and actively and positively participate in all 12 board meetings held monthly from 8:15 am-9:30 am at the Chamber of Commerce office. Virtual participation is possible but not preferred. Board members that miss 3 or more meetings per year may be asked to reconsider their position.
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| * Propose Agenda Items
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| * Allow a minimum of 8-10 hours a month to involve yourself in Chamber of Commerce events/ work.
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| * Carry out tasks agreed to at meetings in a timely manner
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| * Represent the member’s views and interests at large, honestly and accurately, to advise and act in their interests.
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| * Be aware of local, provincial and federal decisions that affect the business climate in Halton Hills and be able to react to them in a fair and discreet manner.
 |
| * Know and understand the roles and responsibilities of the Board, committees and, staff.
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| * Play an active role in the fundraising and sponsorship process (where applicable).
 |
| * Endorse the collective decision of the Board publicly.
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| * Accept promotion of special projects only if you can contribute the appropriate time needed to make it a success.
 |
| * Maintain Board business and client confidentiality.
 |
| * Be involved in one or more HHCC committees or task groups. This is a mandatory element of being on the Board.
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Board members must be able to:

1. communicate verbally and have the ability to ask questions using open-ended, non-judgmental language

2. have active listening skills

3. adhere to a high degree of confidentiality

4. have the ability to make decisions in a fair and unbiased manner

Desirable expertise:

We are looking to have representation from the retail, legal, manufacturing, and accounting sectors.

**THE DUTIES OF A BOARD DIRECTOR**

#### Managerial Duty

The Board of Directors has the sole responsibility for the management of an incorporated non-profit organization. Generally, this includes the duty to oversee management staff, provide guidance and policy development, and acquire an adequate knowledge of the business and functioning of the organization. In particular, the directors must comply with legal requirements such as properly maintaining the books, records, and minutes: enacting bylaws; ensuring the proper election of officers; and appointing an auditor.

#### Fiduciary Duty

A fiduciary is any person who maintains a position of trust. Common examples of fiduciaries are agents, lawyers, and doctors. The fiduciary duty of a director is an obligation to act honestly, in good faith and in the best interest of the organization, and to be loyal to the organization. This duty reduces the danger of a director exercising their authority in a self-serving manner.

#### Honesty

The first component of the fiduciary duty is honesty. This is an obligation placed on the director to disclose the entire truth to avoid fraudulent transactions in matters pertaining to office. Examples of a director’s breach of the duty of honesty would be misuse of the organization’s funds, misappropriation of the organization’s property, and improper loans to directors.

#### Good Faith

The director of an incorporated non-profit organization must pursue the best interests of the organization and good faith must be demonstrated in attaining this end. This means that a director may not pursue any “improper” purpose while acting on behalf of the corporation. The activities of a director are restricted by the objects of the corporation as set out in the bylaws. A prudent director will attempt to remain within the boundaries of their legitimate authority.

A number of factors are relevant when determining whether a director is acting in the best interests of the corporation. First, something more than a mere assertion of good faith is required. Second, everyone involved in a specific transaction must believe that the transaction is being made in good faith. And, finally, the director’s allegations of good faith must be reasonable under the circumstances.

#### Loyalty and Conflict of Interest

A director must give undivided loyalty to the organization, which means that he or she agrees to subordinate all personal interests to those of the organization. Although directors are generally well-meaning, they may, at times, have difficulty separating their duties from their personal business interests. If this happens, the incorporated non-profit organization and its beneficiaries may suffer.

Conflict of interest may arise in many circumstances. It could occur if a director contracts with the organization and uses their office to negotiate terms that are unfair to the organization but personally advantageous. Or conflict could occur when a director acts on the Board of two or more non-profit corporations that contract with each other. The director owes a fiduciary duty to each corporation and must act in the best interests of each. It would be wise for a director to avoid this situation since conflicts may be inevitable.

If a director negotiates a contract between two non-profit corporations, it is possible that their performance will be influenced by conflicting loyalties. Since only one organization may benefit from the director’s actions, the director should disclose all relevant facts to each organization in order to avoid any impropriety. Indeed, a director would be wise not to place themselves in this position.

This does not mean that a person cannot sit on more than one Board. However, such a position demands that the director act within the scope of authority and not favor any non-profit corporation to the detriment of another and not act in such a case.

Even when contracts do not exist, it is important to understand that the decisions of the board may affect the business or property of a director. Social and political gain may also violate the fiduciary duty. Direct or indirect benefits to relatives, friends, and associates may also be avoided.

Another example of conflict of interest is corporate opportunity, which happens when a director profits from their office. A director may not receive compensation for acting as such, but may receive compensation or reimbursement for services or goods provided to the organization. The bylaws of the organization may set out rules governing the provisions of such services.

# **Duty of Care**

The second category of duty imposed on directors is a minimum standard of care in the performance of their activities on behalf of the non-profit organization. The standard test of care is what a “would take under the same circumstances”. The director must act honestly, exercise some degree of skill and diligence, and ensure that he or she has the authority to act in compliance with the provision of the organization’s constitutions and bylaws.

A professional as director faces a greater risk of liability than the other directors who lack specific expertise. A lawyer, for example, is required to provide competent legal advice to the Board. In other matters over which the director has no special expertise, however, the professional is not required to attain a higher level of performance.

A director who acts honestly and who has met the standards of conduct required by the fiduciary duty and standard of care is not responsible for errors of judgment that occur while performing their duties.

# **Duty of Diligence**

The duty of diligence means that a director must become acquainted with all aspects of the organization including the transaction of business (usually by attending Board meetings), organizational policies, and the delegation of tasks.

While an elected director is not legally bound to attend Board meetings, they do have the duty to stay informed of all events that transpire at meetings, which can be achieved, to a large extent, by reviewing the minutes and financial statements of the organization. When a director does attend a meeting, he or she must exercise the level of judgment and care that an “ordinary person” would take in the same circumstances.

It is prudent for a director to attend whatever Board meetings possible. Not attending may be interpreted as a failure to exercise the proper degree of diligence.

If a director attends a meeting where an illegal act is planned, that director is liable unless he or she immediately registers dissent. Liability can also occur if the director does not properly notify the members and other interested parties about all illegal acts. On the other hand, a director may not be liable for an illegal act if he or she has no knowledge about it and has fulfilled the other duties required. Illegal acts committed by the Board prior to a director’s election are not sources of liability.

If a director does not attend meetings because of a long-term illness, they should consider relinquishing office if unable to fulfil their necessary duties. This will ensure that the director is not held liable for not attending. Because all Board members are obliged to ensure the effective management of the organization, a director who is not adequately fulfilling their role may be removed from office if the terms of the organization’s bylaws so provide.

 While the directors do not have the expertise for certain aspects of management, they often rely on the services of experts (for example, accountants and lawyers) who are not officers and members of the organization. In this case it is the duty of the directors to ensure that the qualifications of the experts are appropriate.

# **Investment Powers**

A director of an incorporated non-profit organization faces great potential liability for the investment and corporate funds. All non-profit organizations maintain the power of investment (except in Ontario, but there the power can be included in the bylaws). The director must consider whether the other directors possess sufficient expertise to invest funds without outside consultation. However, certain investment responsibilities should never be delegated. These include establishing corporate policy, appointing financial officers, enacting bylaws concerning corporate affairs, reviewing reports at frequent intervals, and establishing the details of employment for employees.

# **Duty of Skills**

In most jurisdictions the law does not specify what levels of skills is required of a director of an incorporated non-profit organization. A director is under no obligation to exercise skills that are beyond their level of competence, and directors are not liable for errors of business judgement. (The exception is in British Columbia, where a director must conform to the higher standard that a “reasonably prudent person” would exercise in the same position.)

The level of skill required of each director will vary, therefore, according to individual qualifications and experience as well as the range of organizational demands placed upon the director. However, if a director does possess specific expertise, they are required to use it in the organization’s affairs.

# **Duty of Prudence**

A prudent person exercises sound and practical judgement and is cautious and discreet in conduct. Therefore, a director must act in a manner that is both practical and cautious with a view to anticipating the probable consequences of any course of action that the organization might take.

The level of knowledge a director has is not relevant to their duty of prudence. Prudence

must be exercised with practicality in mind, not expertise. The Canada Corporations Act does not include guidelines on the duty of prudence. British Columbia law provides the objective standard of a “reasonably prudent person,” and the other Canadian jurisdictions require the directors to exercise organizational matters in a prudent manner.

# **Continuing Duty**

A director cannot necessarily avoid liability through resigning their office.

A director is responsible for acts already done and neglected while they were still in the office. Further the director may remain bound by a continuing duty to the corporation which will vary in length of time according to the circumstances.

In some situations, resignation by a director with the intent to avoid liability could be a breach of duty itself. Resignation in such circumstances may violate the duties of care, diligence, prudence, loyalty and the best interests of the corporation. Even if the organization dissolves, liability continues during the winding up process.

***The preceding information is taken from the booklet: ”Duties and Responsibilities of directors of Non-Profit corporations” written by Steven Kreiger BA LL.B. 1989/Canadian Society of Association Executives.***

HHCC ELECTION BYLAWS

### BOARD OF DIRECTORS

4. (a) The affairs of the Chamber shall be managed by a board consist of a minimum of three (3) and a maximum of twenty (20) directors, each of whom at the time of their election or within ten (10) days thereafter and throughout their term of office shall be a member of the Chamber.

 (b) Not less than thirty (30) days prior to the annual election, the Chair of the Board shall appoint, with the approval of the Board of Directors, a Nominating Committee of not less than three (3) members. The Nominating Committee shall seek nominees for the Board of Directors, and shall report to the Board of Directors. Nominations to the Board of Directors shall be in writing and signed by not less than two (2) members of the Chamber.

 (c) A least fourteen (14) days prior to the annual election, the Secretary shall mail or communicate by electronic means to each member of the Chamber at their address appearing on the register of the members, a list of the names submitted as nominees for the Board of directors, following the receipt of the report of the Nominating Committee. Further nominations may be called for from the floor at said meeting. Directors, where possible, shall be drawn from the entire Town of Halton Hills to represent the various interests and areas within the said Town of Halton Hills, in the Regional Municipality of Halton, in the Province of Ontario.

 (d) Vacant director positions shall be elected from among the membership to serve for a three-year term at the annual general meeting of members. No Director shall hold office for more than two (2) complete and consecutive three-year terms. No more than 33% of the Directors shall have their term of office expire in any given year. All directors shall be elected to hold office until the annual meeting of members of the year of expiration of their three-year term, after they have been elected or until their successor shall have been duly elected and qualified. Directors shall be elected normally by a show of hand, or if requested by the Chair, by standing vote. A role call vote, or secret ballot vote shall be taken if requested by five (5) members providing such request has received the approval of two-thirds (2/3rds) of the members assembled. The directors of the Chamber may, by resolution passed by at least two-thirds (2/3rds) of the votes cast at a general meeting of directors of which notice specifying the intention to pass such resolution has been given, remove any Director before the expiration of their term of office, and may by a majority of the votes cast at the meeting, elect any person in their stead for the remainder of their term. The Board and Executive, may from time to time, extend the tenure of Directors and Executive members when deemed appropriate to ensure the continuity of Chamber operations. These extensions shall not normally exceed a period of two (2) years.

 (e) A candidate for election as a director shall be a registered Chamber representative or a Chamber member in good standing involved in business, trade or commerce in Halton Hills but shall not be an elected member of the federal parliament, the provincial legislature, municipal or regional council, or school trustee and shall not be a direct, full-time employee of the Government of Canada, Province of Ontario, Town of Halton Hills, Regional Municipality of Halton, or a School Board.

 (j) During or after the annual general meeting of members, the directors before taking office shall take and subscribe before the Mayor or before any Justice of the Peace, an oath in the following form:

“I swear that I will faithfully and truly perform my duty as a Director of the Halton Hills Chamber of Commerce, and that I will, in all matters connected with the discharge of such duty, do all things and such things only, as I shall truly and conscientiously believe to be adopted to promote the objects for which the said Chamber was constituted according to the true intent and meaning of the same.”

(k) Proxy votes shall not be accepted at any meeting of the Board of Directors.

 (l) Parliamentary procedures shall be followed at all general and Board meetings, in accordance with “Rules of Order by Roberts”.