

WATERLOO REGIONAL HEALTH NETWORK

(the “Corporation”)

RESPONSIBILITIES OF INDIVIDUAL DIRECTORS POLICY

The following is a statement of responsibilities of individual directors which should be understood as the “Board Code of Conduct”. All directors and non-director committee members will complete a declaration of commitment to, and compliance with, these responsibilities annually.

Policy

Fiduciary Duty and Duty of Care

As a fiduciary of the Corporation, a director acts honestly and in good faith with a view to the best interests of the Corporation, and exercises the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. In so doing, a director supports the Corporation in fulfilling its mission and discharging its responsibilities. All directors, including *ex-officio* directors, are held to the same duties and standard of care.

A director does not represent the specific interests of any constituency or group. A director acts and makes decisions that are in the best interests of the Corporation as a whole.

Exercise of Authority

A director carries out the powers of office only when acting during a duly constituted meeting of the Board or one of its committees. A director respects the responsibilities delegated by the Board to the President and Chief Executive Officer and the Chief of Staff avoiding interference with their duties but insisting upon accountability to the Board and reporting mechanisms for assessing organizational performance.

A director adheres to the mission, vision, and values of the Corporation, applicable law, the by-laws, and Board-approved policies.

Conflicts of Interest

Every director must comply with the conflict of interest provisions in the *Not-for-Profit Corporations Act, 2010* (the “Act”), the by-laws, and the Conflict of Interest policy.

Confidentiality

Every director must respect the confidentiality of the information of the Corporation, including matters brought before the Board and all committees, keeping in mind that unauthorized disclosure or use of information could adversely affect the interests of the Corporation. Directors will not disclose or use for their own purpose confidential information concerning the activities and affairs of the Corporation unless otherwise authorized by the Board.

It is recognized that the role of a director may include representing the Corporation in the community. However, such representations must be respectful of and consistent with the director's duty of confidentiality.

Respectful Conduct

It is recognized that directors bring to the Board diverse background, skills, and experience. Directors may not always agree with one another on all issues. All debates will take place in an atmosphere of mutual respect and courtesy. The authority of the Board Chair must be respected by all directors.

Board Solidarity and Director Dissent

A director supports the decisions of the Board in discussions with persons beyond the Board, even if the director holds another view or voiced another view during a Board discussion or was absent from the Board or Board committee meeting. In accordance with the Act, a director who is present at a Board or Board committee meeting is deemed to have consented to any resolution passed or action taken at the meeting, unless:

- (a) the director's dissent is entered in the meeting minutes;
- (b) the director requests that their dissent be entered in the meeting minutes;
- (c) the director gives their dissent to the secretary of the meeting before the meeting is terminated; or
- (d) the director submits their written dissent to the secretary immediately after the meeting is terminated.

A director who votes for or consents to a resolution is not entitled to dissent.

A director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless within seven days after becoming aware of the resolution, the director:

- (a) causes their written dissent to be placed with the meeting minutes; or
- (b) submits their written dissent to the secretary.

Board Spokesperson

The Board Chair will be the spokesperson for the Board. The President and Chief Executive Officer or the Chief of Staff, or their designate, may speak on behalf of the Corporation. News media responses and public discussion of the Corporation's activities and affairs should only be made through the Board's authorized spokespersons. Any director who is questioned by news reporters or other media representatives should refer such individuals to the appropriate representatives of the Corporation.

WATERLOO REGIONAL HEALTH NETWORK

(the “Corporation”)

CONFLICT OF INTEREST POLICY

Purpose

All directors have a duty to ensure that the integrity of the decision-making processes of the board of directors (the “**Board**”) and its committees is maintained by ensuring that they and other directors, Officers (defined below), and non-director Board committee members are free from conflict or potential conflict in their decision-making. It is inherent in a director's fiduciary duty that conflicts of interest are avoided. It is important that all directors, Officers, and non-director Board committee members understand their obligations when a conflict of interest or potential conflict of interest arises.

Application

This policy applies to all directors, Officers, and non-director Board committee members.

“**Officers**” means officers appointed by the Board under the *Not-for-Profit Corporations Act, 2010* (the “**Act**”) and the by-laws, including: (a) the Chair, Vice Chair, and Secretary; (b) the President and Chief Executive Officer, Chief Financial Officer, and any Vice President of Corporation; and (c) any other individual who performs functions for the Corporation similar to those normally performed by an individual listed in (a) or (b).

Policy

Directors, Officers, and non-director Board committee members shall avoid situations in which they may be in a position of a conflict of interest or perceived conflict of interest. In addition to the conflict of interest provisions in the Act and the by-laws, which must be strictly adhered to, the process set out in this policy shall be followed when a conflict or potential conflict arises.

Description of Conflict of Interest

A conflict of interest arises in any situation where a director's duty to act solely in best interests of the Corporation and to adhere to their fiduciary duties is compromised or impeded by any other interest, relationship, or duty of the director. A conflict of interest also includes circumstances where the director's duties to the Corporation are in conflict with other duties owed by the director such that the director is not able to fully discharge the fiduciary duties owed to the Corporation.

The situations in which a potential conflict of interest may arise cannot be exhaustively set out. Conflicts generally arise in the following situations:

Transacting with the Corporation

- When a director, Officer, or non-director Board committee member transacts with the Corporation directly or indirectly.
- When a director, Officer, or non-director Board committee member has a material direct or indirect interest in a transaction or contract with the Corporation.

Interest of a Relative

When the Corporation conducts business with suppliers of goods or services or any other party of which a relative or member of the household of a director, Officer, or non-director Board committee member is a principal, officer, or representative.

Gifts

When a director, Officer, or non-director Board committee member or a member of the director, Officer, or non-director Board committee members' household or any other person or entity designated by the director, Officer, or non-director Board committee member accepts gifts, payments, services, or anything else of more than a token or nominal value from a party with whom the Corporation may transact business (including a supplier of goods or services) for the purposes of (or that may be perceived to be for the purposes of) influencing a Board act or decision.

Acting for an Improper Purpose

When directors, Officers, or non-director Board committee members exercise their powers motivated by self-interest or other improper purposes. Directors, Officers, and non-director Board committee members must act solely in the Corporation's best interests. Directors who are nominees of a particular group must act in the best interest of the Corporation even if this conflicts with the interests of the nominating party.

Appropriation of Corporate Opportunity

When a director, Officer, or non-director Board committee member diverts to their own use an opportunity or advantage that belongs to the Corporation.

Duty to Disclose Information of Value to the Corporation

When directors, Officers, or non-director Board committee members fail to disclose information that is relevant to a vital aspect of the Corporation's affairs.

Serving on Other Corporations

A director, Officer, or non-director Board committee member may be in a position where there is a conflict of “duty and duty”. This may arise where the director, Officer, or non-director Board committee member serves as a director, Officer or non-director Board committee member of two corporations that are competing or transacting with one another. It may also arise where a director, Officer or non-director Board committee member has an association or relationship with another entity. For example, if two corporations are both seeking to take advantage of the same opportunity, a director, Officer or non-director Board committee member may be in possession of confidential information received in one boardroom or related to the matter that is of importance to a decision being made in the other boardroom. The director, Officer or non-director Board committee member cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. The director, Officer or non-director Board committee member cannot act to advance any interests other than those of the Corporation.

Process for Resolution of Conflicts and Addressing Breaches of Duty

Disclosure of Conflicts

A director or Officer, who is in a position of conflict or potential conflict, shall immediately disclose such conflict to the Board by notifying the Board Chair or Vice Chair. Where the Chair has a conflict, notice shall be given to the Vice Chair. A non-director Board committee member who is in a position of conflict or potential conflict shall immediately disclose such conflict to the Board by notifying the committee chair. The disclosure shall disclose the nature and extent of the interest. Disclosure shall be made at the earliest possible time and, where possible, prior to any Board discussion or vote on the matter.

In the case of a director, the disclosure must be made:

- at the meeting where a matter in which the director has a conflict is first considered;
- if the director was not then interested in a matter, at the first meeting after the director becomes interested;
- if the director becomes interested after a matter has been approved, at the first meeting after the director becomes interested; or
- if an individual who has a conflict in a matter later becomes a director, at the first meeting after the individual becomes a director.

In the case of an Officer, the disclosure must be made:

- forthwith after the Officer becomes aware that a matter in which the Officer has a conflict is to be considered or has been considered by the Board;
- if the Officer becomes interested after a matter has been approved by the Board, forthwith after the Officer becomes so interested; or

- if an individual who has a conflict in a matter later becomes an Officer, forthwith after the individual becomes an Officer.

In the case of a non-director Board committee member, the disclosure must be made:

- at the committee meeting where a matter in which the non-director Board committee member has a conflict is first considered;
- if the non-director Board committee member was not then interested in a matter, at the first committee meeting after the non-director Board committee member becomes interested;
- if the non-director Board committee member becomes interested after a matter has been approved, at the first committee meeting after the non-director Board committee member becomes so interested; or
- if an individual who has a conflict in a matter later becomes a non-director Board committee member, at the first committee meeting after the individual becomes a non-director Board committee member.

If a director or Officer has a conflict of interest in a matter that, in the ordinary course of the Corporation's business, would not require approval of the Board or members, the director or Officer shall disclose the conflict of interest to the Board Chair or Vice Chair, or request to have the nature and extent of their interest entered in Board meeting minutes forthwith after the director or Officer becomes aware of the matter.

Continuing Disclosure

A director, Officer, or non-director Board committee member may provide a general notice to the Board disclosing their relationships and interests in entities or persons that give rise to conflicts.

Leave the Meeting and Do Not Vote

A director, Officer, or non-director Board committee member who has declared a conflict shall not attend any part of a meeting during which the matter in which they have a conflict is discussed, and shall not vote on any resolution to approve the matter. Exceptions are made if the matter relates to a contract or transaction for indemnity or insurance under section 46 of the Act.

If no quorum exists for the purposes of voting on a resolution to approve a matter only because one or more director(s) or Board committee member(s) are not permitted to be present at the meeting due to a conflict, the remaining directors or Board committee members are deemed to constitute a quorum for the purpose of voting on the resolution.

Referral

A director may be referred to the process outlined below where any director believes that they or another director:

- (a) has breached their duties to the Corporation;
- (b) is in a position where there is a potential breach of duty to the Corporation;
- (c) is in a situation of actual or potential conflict of interest; or
- (d) has behaved or is likely to behave in a manner that is not consistent with the highest standards of trust and integrity and such behaviour may have an adverse impact on the Corporation.

Process for Resolution

- (a) The matter shall be referred to the Chair or where the issue may involve the chair, to the Vice Chair, with notice to the President and Chief Executive Officer.
- (b) The Chair (or Vice Chair, as the case may be) may either:
 - (i) attempt to resolve the matter informally; or
 - (ii) refer the matter to a special Board committee established by the Chair (or Vice Chair, as the case may be) which shall report to the Board.
- (c) If the Chair or Vice Chair elects to attempt to resolve the matter informally and the matter cannot be resolved to the satisfaction of the Chair (or Vice Chair as the case may be), the director referring the matter, and the director involved, then the Chair or Vice Chair shall refer the matter to the process in (b)(ii) above.
- (d) A Board decision by majority resolution shall be determinative of the matter.

It is recognized that if a conflict or other matter referred cannot be resolved to the Board's satisfaction (by simple majority resolution) or if a breach of duty has occurred, a director may be asked to resign or may be subject to removal pursuant to the by-laws and the Act.

Perceived Conflicts

It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the by-laws. There may be cases where the perception of a conflict of interest or breach of duty (even where no conflict exists or breach has occurred) may be harmful to the Corporation notwithstanding that there has been compliance with the by-laws. In such circumstances, the process set out in this policy for addressing conflicts and breaches of duty shall be followed.

WRHN

Purpose

The purpose of this policy is to ensure that all confidential information related to the hospital's operations, patients, staff, and Board activities is protected and only disclosed in accordance with applicable laws and regulations.

Application

This policy applies to all members of the Board of Directors, member of committees or subcommittees who might or might not be Directors, as well as any individuals invited to attend Board meetings.

Policy

Directors and Committee Members owe to the hospital a duty not to disclose or discuss with another person, entity or the media, or to use for their own purpose, confidential information concerning the business and affairs of the hospital received in their capacity as Directors or Committee Members, unless otherwise authorized by the Board.

Directors and Committee Members are responsible for treating personal health information and personal information as confidential information as required by legislation.

Confidential Matters

1. Confidential Information
 - Confidential information includes, but is not limited to, patient records, financial data, strategic plans, personnel files, and any other information deemed confidential by the hospital. Board members must treat all such information as strictly confidential and must not disclose it to any unauthorized individuals.
 - All information that is the subject of closed and in-camera sessions of the Board, and all information before a committee or task force of the Board is confidential, unless they have been determined not to be confidential by the Chair of the relevant committee or task force and by the Board. All matters are confidential until disclosed publicly by the Board.
 - Notwithstanding that information disclosed or matters dealt with in an open session of the Board are not confidential, no Director shall make any statement to the press or the public in his or her capacity as a Director unless such statement has been authorized by the Board.
2. Access to Confidential Information
 - Access to confidential information is restricted to Board members and authorized personnel who require the information to perform their duties.
 - Board members must ensure that any confidential information in their possession is stored securely and is not accessible to unauthorized

- individuals.
3. Disclosure of Confidential Information
 - Confidential information may only be disclosed to third parties if required by law or with the express written consent of the Board.
 - Any unauthorized disclosure of confidential information will be considered a breach of this policy and may result in disciplinary action, including removal from the Board.
 4. Collection, Use and Disclosure of Confidential Information
 - Directors have a duty to hold information in confidence and to use it only for purposes of the corporation and not for personal gain. Collection, use or disclosure of confidential information must comply with hospital policies, the Freedom of Information and Protection of Privacy Act (2012) and the Personal Health Information and Protection of Privacy Act (2004).
 5. Confidentiality Agreements
 - All Board members must sign a confidentiality agreement upon their appointment to the Board and annually thereafter, acknowledging their understanding of and commitment to this policy.
 - The confidentiality agreement will remain in effect even after a Board member's term has ended.
 6. Reporting Breaches
 - Any suspected breaches of confidentiality must be reported immediately to the Board Chair or the hospital's legal counsel.
 - The Board will investigate all reported breaches and take appropriate action to address and mitigate any potential harm.
 7. Training and Awareness
 - The hospital will provide regular training to Board members on confidentiality and data protection best practices.
 - Board members are expected to stay informed about any changes to confidentiality laws and regulations that may affect their duties.

Procedure for Maintaining Minutes

Minutes of closed and in-camera sessions of the Board shall be recorded by the Secretary or designate, or if the Secretary or designate is not present, by a Director designated by the Chair of the Board.

All minutes of closed and in-camera sessions of the Board shall be marked confidential and shall be handled in a secure manner.

All minutes of meetings of committees and task forces of the Board shall be marked confidential and shall be handled in a secure manner.

References

1. Corporate By-Law

2. Code of Conduct
3. Conflict of Interest
4. Board Responsibilities and Accountabilities
5. Roles and Responsibilities of Individual Directors
6. Roles and Responsibilities of Committee Members
7. Decision Making and Ethics Frameworks

Decision-Making Framework

Purpose

The intent of the framework is to provide appropriate policies and procedures to support the board in its role as the ultimate decision-making body in the organization. The combination of policies will help:

- Facilitate rigorous, comprehensive discussion on difficult decisions
- Ensure that risk and ethics are appropriately addressed in the decision-making process
- Include an appropriate hierarchy of decision-making authority within the organization

Context for Decision-Making

The health care environment is characterized by a variety of factors, including but not limited to the following, which provide the context for decision-making:

- Limited resources
- Changing demographics and shifting cultural values in society
- Increased public awareness and interest in health care issues
- Changing public expectations and increased requirement for public accountability
- New and evolving technologies and approaches to care
- Emphasis on individual rights and freedoms
- Privacy and confidentiality issues
- Increased need for interdisciplinary and inter-institutional collaboration, cooperation and integration
- New and evolving technologies, associated cybersecurity risks, and approaches to care

The unique context of each situation should be taken into account in decision making.

Guiding Principles

The following principles will guide decision-making at the board level:

1. Ensure consistency with the organization's mission, vision and values
2. Consider the best interest of the community the hospital serves
3. Prioritize decisions that enhance patient care and safety
4. Involve the appropriate interested parties in the process
5. Ensure appropriate due-diligence to assess available options and their impacts
6. Consider system capacity and sustainability
7. Make effective and efficient use of resources
8. Consider social costs and benefits including access and equity
9. Maintain an accountable processes
10. Adhere to applicable regulations and legislation
11. Evaluate and learn from outcomes

12. Base decisions on objective criteria and what is the best interest of the hospital

The Decision-Making Framework

In addition to using the guiding principles above, the Decision-Making Framework includes the following components:

1. Decision-making criteria and evidence of due diligence
2. Risk management
3. Financial oversight
4. Ethics Framework
5. The Delegation of Authority policy

1. Decision-Making Criteria

Decisions will be made based on key criteria and evidence that due diligence has occurred. The board makes 'informed' decisions, based on the best information available at the time, including an evaluation of alternatives and rationale for the recommended option.

The material for board meeting motions will provide context for decisions and include information and criteria for decision-making.

2. Risk Management

The Enterprise Risk Management Policy outlines the board's governance responsibilities in risk management. Management is responsible for the implementation of policies and processes to manage those risks.

Board decisions will consider the potential impacts of risks associated with key initiatives, the probability those risks may occur and mitigation measures. Acceptance of risk will also be part of the decision considerations.

3. Financial Oversight

The Board's Financial Management Policy, annual budgets, audits and financial analysis of key projects guide the board in fulfilling its responsibilities for governing the overall financial health and viability of the hospital.

Decisions about program changes or expansions, replacements/changes to the medical staff, and capital projects will be considered on the basis of a complete and thorough business case or impact analysis.

4. Ethical Consideration

The Ethics Framework and tool guide the board through ethical considerations, ensuring decisions are based on discussions that appropriately consider relevancy, community engagement, communications, and accountability.

The extent to which each of these criteria is applied will be dependent on the nature of the decision.

5. *Delegation of Authority*

The Delegation of Authority Policy delineates decisions reserved by the Board from those delegated to the CEO and Chief of Staff.

Procedures:

1. *Identify the Issue*

- Clearly define the problem or decision to be made
- Gather relevant information and data

2. *Engage Interested Parties*

- Consult with those impacted by the decision
- Seek input from relevant experts and interested parties

3. *Evaluate Options*

- Assess the pros and cons of each option
- Consider the impact on quality, safety, resources, and interested parties

4. *Make the Decision*

- Use the guiding principles and decision-making components to inform the decision
- Ensure the decision is documented and communicated transparently

5. *Implement and Monitor*

- Develop an implementation plan
- Monitor the outcomes and make adjustments as necessary

6. *Review and Learn*

- Evaluate the decision-making process and outcomes
- Identify lessons learned and areas for improvement

Related Policies

- Board Ethics Framework
- Delegation of Authority
- Enterprise Risk Management Framework

BOARD OF DIRECTOR'S DECISION-MAKING SUPPLEMENTARY GUIDE

Decisions will be assessed against the following criteria:

CRITERIA	DEFINITIONS
Quality & Safety	<ul style="list-style-type: none"> • outcomes are measurable and as good as can be achieved • services are safe • personnel are qualified and demonstrably competent • relevant staff/providers are in general agreement with the option • program/service meets the health needs of intended service recipients by providing the right service in right place at right time • decisions are evidence based
Sustainability	<ul style="list-style-type: none"> • resources are available to fund capital and/or operating expenditures required to pursue the proposed option (affordability) • the option is not obsolete in the foreseeable future and can accommodate changing circumstances and needs (adaptable) • qualified providers can be recruited and retained • desired outcomes are achieved, consuming minimal resources (efficiency) • waste and redundancy are minimized • human resources use their knowledge and skills to the maximum extent possible
Access & Equity	<ul style="list-style-type: none"> • reasonable and fair geographic access to services is achieved • timely access to services in relation to need is provided • need governs where services are located and how services and benefits are distributed • the needs of high risk, high needs populations are effectively met and health disparities are reduced
Maximum Benefit to Health / Risk of Not Proceeding	<ul style="list-style-type: none"> • greater improvement in health status than the alternatives is achieved • benefits more people than the alternatives
Public Acceptability	<ul style="list-style-type: none"> • public affected are in general agreement with the decision taken • public affected are willing to use the services as organized and located
Consistency / Alignment with Vision	<ul style="list-style-type: none"> • the option under consideration is consistent and aligned with the WRHN Vision

Board Ethics Framework

Policy

The Board will, through the CEO, ensure that the hospital has established appropriate structures, policies, processes and systems to support its responsibility for ethical management, decision making and service delivery. The Board will ensure that the mission, vision and values of Waterloo Regional Health Network (WRHN)) are incorporated into an ethical decision making framework to inform both the Board and management decisions.

Responsibilities and Accountabilities

1. The Board is responsible for organizational, clinical and research ethics.

Procedures

1. The Ethics Committee will report through the management team to the CEO and will provide regular reports on its activities and progress to the Board through the Quality Committee.
2. The WRHN Research Committee will report on an annual basis to the Quality Committee of the Board on the research activities of WRHN as they relate to ethics.

Definitions

Organizational Ethics: ensures that values based decision making guides the development and execution of governance and management policies and practices.

Clinical Ethics: provides a mechanism for hospital and medical staff to obtain clinical case review, advice and education to support the provision of care delivery in a manner that is principle based and consistent with WRHN's ethical framework.

Research Ethics: ensures that any research activity occurring within WRHN that involves human subjects undergoes the scrutiny of review that is based on an ethical framework. At WRHN this review takes place either through the research ethics board or through the Ontario cancer research ethics board (OCREB).

Related Documents

- Decision Making Framework
- Ethical Decision Making Tool

Ethical Decision-Making Tool

Additional questions to ask

1

IDENTIFY the facts

Organizational:

- What is the presenting ethical issue?
- What are the relevant laws and organizational policies?
- Were all relevant interested parties involved in the discussion and able to share their opinions?
- Were there any prior similar situations in the hospital?
- Are there any guiding documents from other organizations that encountered a similar challenging question?
- Who are the relevant interested parties in this case?

2

Determine the relevant ethical principles

Organizational:

- Which values are in conflict (for example, value of compassion and empowerment)?
- What ethical principles may be in conflict (for example, the situation doesn't support both expression of autonomous decision-making and public safety)?
- Where values may be compromised, what can you do to minimize the negative impact?
- Are there professional or legal obligations or standards to consider?
- Consider how various options reflect or support the duties, principles and values described.

3

Explore the options

Organizational:

- Have all the options been clearly identified?
- What are the potential outcomes of the existing options?
- How do the existing options align with the current legislation?
- How do the options align with the organizational mission and vision, and the existing policies and regulations?
- Do any of the options cause an unfair burden to a specific population receiving care in our hospital?

4

Act on the decision and evaluate

Organizational:

- Select the best option available and develop an action plan in collaboration with all interested parties.
- Document and communicate the plan to everyone involved.
- Determine how to evaluate the success of the plan.
- Create an easy mechanism to modify the action plan, if it is not meeting the changing situation.
- How do you feel about the decision and the outcome?
- What would you do differently next time and what would you do the same?
- What kind of organization-level changes can you suggest?

IDEA

Organizational Ethical Decision-Making Tool

1

IDENTIFY the facts

- Evidence
- Interested parties
- Hospital policies
- Legislation / regulations
- Similar situations

ASK: What is the ethical issue?

2

DETERMINE the relevant ethical principles

- Nature and scope
- Relevant weights

ASK: Have perspectives of the relevant individuals been sought?

What is an ethical issue?

- Am I trying to determine the right course of action?
- Am I asking a 'should' question?
- Are values and beliefs involved and do they conflict with one another?
- Am I feeling uncomfortable?

If you answered **yes** to any of these questions, you may be encountering an ethical issue.

3

EXPLORE the options

- Harms and benefits
- Strengths and limitations
- Laws and policies
- WRHN mission, vision and values

ASK: What is the most ethically justifiable position?

ACT!

- Recommend
- Implement
- Evaluate

ASK: Are we [am I] comfortable with this decision?

4

