

Minutes of the Governance Committee Meeting

November 17, 2021 11:00am-1:30pm ET (held on Microsoft)

Committee members in attendance	
Michael Wrinch – Chair Arjan Arenja	Jean Boudreau Danny Chui (ex-officio)
Regrets	
Nicolas Turgeon	
Observers	
Anne Baril	Geoff Connolly
Staff and support	
Jessica Christou Roseanne Gauthier	Stephanie Price Evelyn Spence

1. Call to order and approval of agenda

M. Wrinch, Committee Chair, opened the meeting at 11:02am (ET). The Chair invited all present to share their location and individual good news in a quick roundtable.

Moved by A. Arenja, seconded by J. Boudreau

THAT the agenda be approved, and the chair be authorized to modify the order of discussion.

Carried

2. Last meeting review

2.1. Review of minutes

The minutes from the September 15 meeting were circulated in the agenda book. No feedback or comments were received.

Moved by J. Boudreau, seconded by A. Arenja

THAT the minutes from the September 15, 2021, meeting be approved as presented.

Carried

2.2. Review of action table

The committee reviewed the list of past action items, noting that all work has been completed. M. Wrinch added that he liked the inclusion and layout of the action table.

2.3. Confirmation of motion approved electronically

The committee confirmed their electronic approval of two new policies, *Board policy 7.13, Vaccination for In-Person Meetings* and *Guideline 1- In-Person Meetings During COVID*, which they discussed and approved via email following the October 1 Board meeting. Both policies will be presented to the Board for approval at the December 13 meeting.

Moved by J. Boudreau, seconded by A. Arenja

THAT Board policy 7.13, Vaccination for In-Person Meetings and Guideline 1- In-Person Meetings During COVID, as electronically approved by the committee, be confirmed.

Carried

3. Review of the 2025-2027 Strategic Planning Task Force Terms of Reference (“TOR”)

S. Price presented the terms of reference of the 2025-2027 Strategic Planning Task Force and confirmed that the structure and composition of the TOR is based on the previous task force’s TOR. M. Wrinch highly recommended the proposed TOR, based on his experience as part of the previous task force.

After some discussion, the committee agreed that the individual elected President-Elect in 2022 should chair the Strategic Planning Task Force, and that this should be specifically called out under clause 6.15.3(2) of the policy, as drafted.

Moved by J. Boudreau, seconded by A. Arenja

THAT the new Board policy 6.15, Strategic Planning Task Force Terms of Reference, be recommended to the Board for approval as presented.

Carried

4. Policy reviews

4.1 Section 4 policy banner statement

At the previous committee meeting, the members discussed the accuracy and utility of the section 4 banner statement (i.e. the paragraph that is repeated as the header for all section 4 Board policies) and requested that options for its improvement be brought forward at this meeting. Finding that the banner statement, as currently drafted, incorporates some, but not all of the roles and responsibilities that are critical for Directors and are set out in Board policy 4.1, *Board Responsibilities*, the committee considered whether (a) to expand the statement to more accurately reflect the most important elements of the Board's role (e.g. to oversee the recruitment, retention and evaluation of the CEO), (b) to leave the statement as currently drafted, or (c) to delete the banner statement in its entirety. Staff confirmed that since this is a summary statement, intended to assist readers, and is not a standalone policy, that revisions to the statement would be considered editorial, and do not require Board approval.

After some discussion, the committee decided to delete the banner statement from the section 4 policies, as it was deemed excessive and does not add value or substance to the policy manual.

Moved by A. Arenja, seconded by J. Boudreau

THAT that the section 4 banner statement be removed from the policy manual.

Carried

4.2 Round 2 policy updates

Following the Governance Committee's decision to approach policy reviews by ruling by exception, all pre-circulated changes proposed by staff were accepted, with additional discussion held in relation to the following specific policies:

Policy 4.8, Board competency profile

Staff's proposed changes were accepted, and Engineers Canada's Manager, Equity, Diversity and Inclusion was acknowledged for the valuable input and insight she provided to make the profile more inclusive. The profile revisions prompted a further discussion, with the following questions and points captured:

- How do we achieve the objectives of representation and competence on the Board, particularly when competencies are obtained through experience? Is having a diverse board more desirable than having an experienced board, or does the one lend itself to the other?
- The Regulators put forward their nominees to Engineers Canada, and there is not much that the Engineers Canada Board can do to influence the nominees, aside from providing and asking Regulators to consider the Board Competency Profile, including any gaps that are identified. Although Engineers Canada cannot directly influence the Regulators' nomination of members to the Board, it may present the current skills

and demographics matrix of the current Board, which reflects our representation goals, and which in turn encourages the Regulators to nominate directors who are able to bridge those gaps.

Policy 4.12, Board self-assessment

Staff's proposed changes were accepted, as presented, however the utility of continuing to generate an electronic survey after each meeting was debated. A belief was expressed that even if few or no meeting attendees respond to the survey, that that provides useful feedback in and of itself. On the other hand, it was explained that developing the surveys for each meeting involves a significant work effort, produces little valuable feedback since responses are anonymous and therefore can be difficult for staff to action or follow-up on, and that other effective means of communicating meeting feedback are available, for instance in the in-camera session at the end of each meeting, or more informally, by contacting the President, CEO or staff.

Policy 5.3, Financial condition

The majority of staff's proposed changes were accepted, however after some debate and deliberation, the proposed revision to clause (k) was rejected, so that the following statement will remain in the policy:

"The Board is provided with quarterly financial statements"

Staff's proposed revision was to update the reference from the *Board* being provided with quarterly financial statements to the *FAR Committee* being provided with these statements, since that is the current practice. A point was made that FAR, as a committee of the Board with specific delegated authority to oversee the organization's financial position, has and should be the entity that reviews these financials in-depth, reporting up to the Board in cases where there are any issues or concerns. In challenging this view, it was asserted that all Board members should have line of sight into the financial statements, as financial management forms an essential part of their fiduciary duties and is a function which cannot be delegated. Members shared their experiences on other boards, where they stated they do review the financials quarterly at each Board meeting. It was suggested that it is a simple process to prepare and report financial statements, and that this practice would not result in additional work effort by staff.

Given the various dissenting views, M. Wrinch called for a singular vote on the approval of the policy, as amended to remove the proposed revision to clause (k). The motion was carried, so that the original text will be maintained. However, a further discussion ensued around the fact that, while this will be the committee's recommendation that goes forward to the Board in February, committee members and observers with an opposing view on this point are encouraged to raise it as a point of discussion and debate at the Board meeting. The Governance Committee recommends policy revisions to the Board, but the Board ultimately approves the policy revisions and can further amend the policies, if necessary.

Policy 5.7, Compensation and benefits

Staff's proposed changes were accepted, including to update clause (2)(d), based on the understanding that the proposal that pension benefits are not adjusted beyond 5% within a five year period is a reasonable industry standard.

Policy 7.12, Net assets

The majority of staff's proposed changes were accepted, however, taking into consideration the discussion under Board policy 5.3 around who receives the quarterly financial statements (the Board or FAR Committee), it was agreed that the original text in clause 7.12.4(2) should remain. That clause states:

"Net asset levels will be reported to the Board with the quarterly financial statements."

Staff had suggested that the clause be changed to state that net asset levels would be reported to the FAR Committee instead.

The committee noted that if the Board does not agree with its view on the Board receiving the quarterly

financial statements, adjustments will be needed in respect of both policies (7.12 and 5.3).

Moved by A. Arenja, seconded by J. Boudreau

*THAT the policies, as revised, be recommended to the Board for approval **as amended**.*

Carried

ACTION: Staff to update the policies, as further revised by the committee, for inclusion in the February Board agenda book.

5. Bylaw revisions

No discussion was had on pre-circulated materials. The committee agreed with the Bylaw amendment.

Moved by A. Arenja, seconded by J. Boudreau

THAT the Bylaw definition of “Registrant,” as revised, be recommended to the Board for approval.

Carried

6. Board Responsibility 4 – Strategic performance reporting

No adjustments to the performance scorecard were identified, and the scorecard reflects the committee’s assessment of its progress up to December 31, 2021.

Moved by J. Boudreau, seconded by A. Arenja

THAT the performance scorecard for Board responsibility 4 (“BR4”) be approved as presented.

Carried

7. New Board management software: proposed solution and implementation plan

E. Spence made a presentation to the committee with an update on staff’s choice of vendors and implementation plan for the Board management software tool, and J. Cristou and C. Mash were recognized for their significant contributions in the evaluation and selection of OnBoard as the solution of choice. Committee members and observers were invited to provide input and feedback on the considerations and implementation plan, with the members of OIQ and PEO sharing their positive experiences with Dilitrust and Diligent and the tools those solutions provide.

The committee agreed that a singular portal to access all information and documentation was essential and will be a great help in Directors’ preparation for Board meetings.

8. Work plan review

The committee reviewed the work plan, noting that they are on track and have one meeting remaining.

9. Other business

A brief discussion was initiated around whether Engineers Canada has considered remunerating Board Directors for their Board and committee work. It was suggested that this is an increasing trend in governance, and helps to attract top talent. It was shared that if Regulators start compensating their Directors, then Engineers Canada might follow suit, but likely could not initiate this practice without direction from the Regulators. The discussion concluded with an observation that if this topic were pursued, it would most likely reintroduce the contentious issue of Board size.

10. Next committee meeting

The final committee meeting is scheduled for March 14, 2022 (11am–1:30 ET).

11. Meeting evaluation

A comment surfaced that the meeting time could be reduced (to increase efficiency). Nevertheless, it was

noted that, since observers were permitted to offer comments and ask questions, and given that the meeting kept within its allotted timeframe, the length of the meeting was satisfactory.

12. Closing

With no further business to address, the meeting was terminated at 1:22pm ET.