

CAPILANO UNIVERSITY BOARD OF GOVERNORS

Board Bylaws

1. GENERAL

1.1 Definitions. In these bylaws:

- (a) “Board” means the Board of Governors of the University and includes committees of the Board;
- (b) “Board Member” means a member of the Board;
- (c) “Foundation” means Capilano University Foundation;
- (d) “President” means the President of Capilano University from time to time;
- (e) “University” means Capilano University.

1.2 Application to Senior Management. These bylaws applies to the President and the Vice-Presidents of the University in the same manner as to Board Members.

1.3 Commitment. To demonstrate determination and commitment, Board Members should annually review these Bylaws and make the following declaration:

“I have read and considered Capilano University Board of Governors’ Bylaws and I will conduct myself in accordance with those Bylaws.”

2. AMENDMENT OF BYLAWS

These Bylaws may be amended at any Board meeting by a simple majority, provided written notice of the proposed amendment has been forwarded to Board Members prior to the date of the meeting.

3. SEAL

The University has a common seal, which shall be in the custody of the President.

4. OATH OF OFFICE

The Board Chair shall administer to each Board Member, at the first Board meeting he or she attends, the following Oath of Office (and the Board Member shall swear, sign and date the Oath):

I, _____, sincerely promise and swear (or affirm) that I will truly, faithfully and impartially, to the best of my ability, execute the duties and responsibilities of a Member of the Board of Governors of Capilano

University. I have read and agree to abide by the bylaws of the Board of Governors of Capilano University.

5. CODE OF CONDUCT

5.1 Legal Duties. Effective governance of British Columbia's universities depends on Board Members fulfilling their responsibilities with the highest standards of conduct. Board Members must:

- (a) act honestly and in good faith and with a view to the University's best interests;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) remain informed as to policies, business and affairs of the University;
- (d) use their own expertise effectively in dealing with University affairs;
- (e) notwithstanding any need for input from internal and external communities on issues before the Board, ensure that information normally considered confidential (i.e., financial and personnel issues) remains so.

Conduct of members contrary to the above duties may be subject to review by the Board.

5.2 Compliance. Board Members should:

- (a) act at all times in full compliance with applicable laws;
- (b) be sufficiently familiar with applicable legislation to recognize potential liabilities and know when to seek legal advice;
- (c) not commit or condone an unethical or illegal act or instruct any student, employee or supplier to do so; and
- (d) consider reporting to the Board Chair any known or suspected breach of ethical duties within the University.

Board Members should avoid any situation that could be perceived as improper or indicate a casual attitude towards compliance with law.

6. CONFLICT OF INTEREST

6.1 Definition. In this Bylaw 6, "related" person includes a spouse, child, parent or sibling of a Board Member who resides with that Board Member.

6.2 General Rules. Board Members should:

- (a) Not use their position to pursue or advance personal interests, or the interests of a related person, business associate, other entity, or the interests of a person to whom the Board Member owes an obligation; and
- (b) Avoid any situation in which there would appear to a reasonable person to be a conflict that might interfere with the Board Member's judgment in making decisions in the University's best interest.

6.3 **Gifts.** Board Members and their related persons should not offer or accept entertainment, gifts or favours that create or appear to create a favoured position for doing business with the University.

6.4 **Elected Members.** A Board Member elected to the Board as representative of any group of electors owes the same loyalty and duties as other Board Members to the University, and such duties have precedence over any conflicting wishes of the electors.

6.5 **Examples:** Following are examples of conflicts of interest:

- (a) close or family relationships with suppliers;
- (b) passing confidential information to competitors or using it inappropriately;
- (c) influencing or participating in a University decision that will directly or indirectly result in the Board Member's own gain;
- (d) accepting a position with another organization that could lead to a conflict of interest or situation prejudicial to the University's interests;
- (e) acquiring or disposing of an interest (including publicly traded shares in a company) while having confidential information obtained as a Board Member that could affect the value of that interest.

A conflict may also exist where the Board is considering:

- (f) matters directly affecting a specific instructional program, for Board Members who, or whose related persons, are enrolled or employed in the program;
- (g) matters related to the University's labour negotiations and labour relations, for Board Members who, or whose related persons:
 - (i) are faculty and support staff; or
 - (ii) hold positions at other Universities who could be seen to benefit from information divulged on such matters.

6.6 **Disclosure of Conflicts.** A Board Member should disclose to the Board chair all circumstances that could be construed as conflict of interest, immediately upon becoming aware of same (even if that is after a transaction is complete). The Board Member should further disclose the nature and extent of any conflict at the first meeting of the Board after the facts have come to that Board Member's attention.

- 6.7 **Participation.** After disclosing the conflict, the Board Member should not take part in the discussion of the matter or vote on any questions in respect of the matter (although the Board Member may be counted in the quorum present at the Board meeting), unless:
- (a) the disclosed conflict relates to a matter that is a vote on a matter that affects a broad group (i.e. students, staff, faculty) of which the Board Member is a member;
 - (b) the conflict consists of a student Board Member voting on issues related to tuition and fees.

7. **CONFIDENTIALITY**

Confidential information includes proprietary technical, business, financial, legal, or any other information that the University treats as confidential. Board Members should not, either during or following termination of their appointment, disclose confidential information to any outside person, or use it for personal gain or to benefit friends, relatives or associates.

8. **INDEMNITY AND EXPENSES**

- 8.1 **Indemnity.** The University shall indemnify a Board Member or former Board Member, or an individual who acts or acted at the University's request in a similar capacity for another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a demand or judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with the University or other entity, so long as the individual:
- (a) acted honestly and in good faith with a view to the best interests of the University, or (as the case may be) the best interests of the other entity for which the individual acted in a similar capacity at the University's request; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.
- 8.2 **Advance.** The University may advance moneys to an individual for the costs, charges and expenses of a proceeding referred to in Bylaw 8.1. The individual shall repay the moneys if the individual does not meet the conditions set out in Bylaws 8.1(a) and 8.1(b).
- 8.3 **Agreement.** Every Board Member shall be deemed to have assumed office on the express understanding that the University will be bound by the above Indemnity.

8.4 **Expenses.** The University shall reimburse Board Members for expenses reasonably incurred to carry out duties of Board Members (including expenses related to duties assigned by any other organization in which a Board Member holds office by virtue of being a Board member, unless such expenses can be borne by that organization), subject only to reasonable policies of the University from time to time. The

9. RESIGNATION AND REMOVAL

9.1 **Form of Resignation.** A Board Member may resign from the Board only by notice in writing, addressed and delivered to the Minister, with a copy delivered to the Board Chair, and the resignation shall take effect on the date specified in the notice.

9.2 **Reporting.** The Chair shall report to the Board at Board meetings all resignations not previously reported to the Board.

9.3 **Deemed Resignation.** If a Board Member fails to attend at least half of the Board's meetings in any year, the Board shall consider whether to permit continued service of that Board Member pursuant to section 22 of the *University Act*.

10. CHAIR AND VICE-CHAIR: ELECTION AND DUTIES

10.1 **Election.** At its annual June meeting the Board shall elect by majority vote of Board members present (if they constitute a quorum) a Chair and a Vice-Chair. The President of Capilano University will conduct the election.

10.2 **Chair's Duties.** The Chair shall preside, when present, at all meetings of the Board, and generally shall fulfill all duties usually performed by a Chair.

10.3 **Vice-Chair's Duties.** The Vice-Chair shall preside at Board meetings in the absence of the Chair.

10.4 **Acting Chair.** If the Chair and Vice-Chair are both absent from a Board meeting, the members present at the meeting shall elect one of their number to act as Chair of that meeting.

10.5 **Voting Rights of Chair.** The Chair has the same voting rights as other Board Members. In case of an equality of votes for and against a motion, the question is resolved in the negative, and the Chair shall so declare.

11. MEETINGS

11.1 General Conduct.

- (a) All Board meetings shall be conducted in accordance with these by-laws, and where these by-laws are silent, in accordance with Roberts' Rules of Order.

- (b) Board meetings shall entertain only those Motions presented that are germane to the Board's responsibilities as set out in the *University Act*.
- (c) Board Members may participate in a Board meeting or any committee meeting by means of conference telephones or other communication facilities by which all participants in the meeting can understand and communicate with each other. A Board Member participating in accordance with this provision shall be deemed present at the meeting, shall be counted in the quorum therefore, and shall be entitled to speak and vote thereat.

11.2 **Time, Place and Attendance.**

- (a) One regular Board meeting each year will be held in Squamish and one on the Sunshine Coast. All other meetings shall be held at the North Vancouver Campus unless otherwise approved by the Board.
- (b) The Board shall endeavour to meet periodically with local representatives and groups of the Howe Sound, the North Shore and the Sunshine Coast to discuss common concerns.
- (c) Regular Board meetings shall be held on Tuesdays unless otherwise determined by the Board.
- (d) The Chair or the President shall call a special meeting of the Board upon written request of a majority of Board Members.
- (e) Any Board meeting may be adjourned to a specific time and place. Only items on the agenda of the meeting adjourned may be acted on at the adjourned meetings.

11.3 ***In Camera* Meetings.**

The Board shall (unless the meeting determines otherwise) meet *in camera* if any of the following are to be considered:

- (a) Matters relating to salaries, conditions of employment, and collective bargaining;
- (b) Matters relating to the employment of any particular person, including appointments, transfers, resignations, promotions, demotions, conduct, discipline or suspension;
- (c) Matters relating to the conduct, discipline, suspension or other dealings with any particular student;
- (d) Matters involving legal opinions, or that concern the liability or interests of the Board or Board Members;

- (e) Matters relating to acquisition, disposition or security of real property;
- (f) Matters of a commercial nature where it is in the interest of the University to maintain confidentiality.

In Camera meetings shall be closed to all persons other than Board Members and those persons invited by the Chair to attend. No Board Member shall discuss any matter raised during an *in-camera* meeting, outside that meeting.

11.4 **Quorum.**

A quorum for a Board meeting shall be a majority of the Board members holding office at the time of the meeting. However, if no quorum is present at a duly called meeting, the meeting shall be held and motions passed thereat shall be subject to ratification at a later meeting at which a quorum is present.

11.5 **Agenda.**

- (a) The President in consultation with the Chair shall prepare the agenda for each Board meeting and shall forward copies to Board Members at least 48 hours before each meeting, together with (where possible) copies of letters and other documents pertinent to the agenda.
- (b) The Chair shall call for approval of the Agenda as the first item of business of each Board meeting. Additions may be proposed by Board Members and shall be added to the agenda with the approval of the meeting.

11.6 **Minutes.**

- (a) Minutes of all Board meetings shall be:
 - (i) legibly recorded in a minute book;
 - (ii) circulated to Board Members prior to the meeting at which they are to be adopted; and
 - (iii) certified correct by the President and Chair or other person presiding at the meeting at which they are adopted.
- (b) Minutes of Regular and Special Board meetings shall be adopted at the next Regular Board Meeting. Minutes of *In Camera* meetings shall be adopted at the next *In Camera* Meeting.
- (c) Copies of minutes of Board meetings will be circulated as determined by the Board from time to time and as required by law.

12. BOARD COMMITTEES

12.1 **Appointing Committees.** To better carry out its responsibilities, the Board may from time to time appoint committees as follows:

- (a) Standing committees that meet in Committee of the Whole and for which a Board member is assigned as Board contact person;
- (b) Standing committees that meet separately, each of which shall have its own chair;
- (c) Ad hoc committees that are created and meet as necessary.

12.2 **Committees – General.** All Board Members are members of every Committee and may attend all meetings, except that the members of the Labour Relations Committee, the Audit Committee and the Investment Management Committee shall be restricted to the persons appointed from time to time by the Chair.

12.3 **Committee Proceedings.** Committee meetings are not public and shall be attended by Board members only, with any guests invited by the Committee chair, and with University administrators assigned to serve as resource persons or who are requested to attend by the Chair. Matters discussed at Committee meetings shall be held in confidence subject only to the following:

- (a) All matters shall be reported to the Board;
- (b) Matters described in Bylaw 11.3 shall, if discussed by a Committee, be treated as in camera topics;

12.4 **Work and Reporting.** Every Committee shall carry out the work assigned from time to time by the Board, shall report to the Board, and may make recommendations to the Board. All recommendations presented to Committees for consideration shall be reported to the Board.

13. STANDING COMMITTEES WITHIN COMMITTEE OF THE WHOLE

13.1 **Appointment of Standing Committees.** To assist elected Board Members to serve their constituencies, each of the following Committees may meet in Committee of the Whole (either before a Regular Board meeting, or at the call of the Chair), and shall be chaired by the Chair or designate:

- (a) Academic Planning Committee
- (b) Finance and Physical Planning Committee
- (c) Human Resource Management Committee

13.2 **Academic Planning Committee.** The Academic Planning Committee shall carry out the work assigned by the Board, which shall include:

- (a) Oversee the University Mission, Values and Strategic Directions, including program direction and content;
- (b) Review as necessary the internal program evaluation procedures;
- (c) Annually review overall performance of existing programs of instruction; and
- (d) Oversee academic issues that arise from time to time.

13.3 **Finance and Physical Planning Committee.** The Finance and Physical Planning Committee shall carry out the work assigned by the Board, which shall include:

- (a) Annually review the University's financial planning operations, and recommend to the Board annual operating and capital budgets;
- (b) Review the fiscal performance of the University; and
- (c) Review on-going facilities expansion planning.

13.4 **Human Resource Management Committee.** The Human Resource Management Committee shall carry out the work assigned by the Board, which shall include:

- (a) Review and recommend University policy on human resources matters;
- (b) Provide guidelines for administration of progressive labour relations policies;
- (c) Provide oversight of administration of employment contracts, employment policies and collective agreements;
- (d) Review in a timely and orderly fashion issues arising from employment agreements with Vice-Presidents, Administrators and Exempt Staff.

14. SEPARATE STANDING COMMITTEES.

14.1 The Board shall have the following additional standing Committees, the members of which shall be appointed by the Chair, and which shall carry out the work described below (subject to any other or additional mandates as approved from time to time by the Board):

- (a) **Board Development and Evaluation Committee** whose principal duties are:
 - (i) Regularly evaluate the performance of the Board and Board Members;
 - (ii) Identify opportunities for Board Member development.
- (b) **President's Evaluation Committee** whose principal duty is to annually conduct the evaluation of the President in accordance with her employment contract.
- (c) **Nominations Committee** whose principal duty is to ensure there are nominations for annual election of Chair and Vice-chair.
- (d) **Labour Relations Committee** whose principal duties are to:
 - (i) Review and recommend labour relations and employment policies, and guidelines for administration thereof; and

- (ii) Oversee administration of employment contracts and collective agreements.

The Labour Relations Committee shall include only the President, the Chancellor, and Board Members appointed by Order in Council.

- (e) **Audit Committee** which shall have primary responsibility for engaging and receiving reports of the University’s auditors.

The primary function of the Audit Committee (the “Committee”) is to assist the Board in fulfilling its oversight responsibilities by:

- (i) monitoring financial performance of the University;
- (ii) identifying and monitoring principal risks that could impact financial results;
- (iii) reviewing financial information to be provided to Government and other stakeholders;
- (iv) monitoring results of recommendations from the auditor on accounting processes and internal controls established by management; and
- (v) monitoring auditor independence.

Primary responsibility for financial reporting, information systems, risk management and internal controls of the University is vested in management and is overseen by the Board.

Composition and Operations

1. The Committee shall include at least three and not more than five Board Members appointed by the Chair, none of whom shall be an employee, student or contractor of the University or any of its subsidiaries.
2. The terms of membership will be staggered in two-year renewable terms commencing in August of each year.
3. Annually, a Chair and a Vice-Chair will be appointed by the Board Chair.
4. All Committee members shall be independent and “financially literate”¹. At least one member shall have “accounting or related financial

¹ “Financial literacy” means the ability to read and understand a balance sheet, income statement and a cash flow statement in accordance with Canadian GAAP.

management expertise”². Preferably one member will hold a financial designation (CA, CGA or CMA).

5. The auditors shall be advised of the names of the Committee members and will receive notice of and be invited to attend at least one meeting annually. The auditors will be heard at those meetings on matters relating to the auditor’s duties.
6. The Committee shall meet with the auditors as it deems appropriate to consider any matter that the Committee or the auditors determine should be brought to the attention of the Board.
7. The Committee shall meet at least three times each year.

² Where there is a requirement for a director to have accounting or financial expertise, this means the director shall have the ability to analyze and understand a full set of financial statements, including the notes attached thereto in accordance with Canadian GAAP.

Duties and Responsibilities

Subject to the powers and duties of the Board, the Committee will perform the following duties:

1. Financial Statements and Other Financial Reporting

The Committee will:

- a. review and recommend for approval to the Board, financial information that will be forwarded to the Government or made publicly available, including the financial content of the annual report;
- b. ensure that the Board receives timely, meaningful reports that keep it properly informed of the University's financial situation and that provide the information needed for decision-making; and
- c. review and discuss:
 - appropriateness of Board accounting policies and financial reporting practices;
 - any significant proposed changes in financial reporting and accounting policies and practices; and
 - any new or pending developments in accounting and reporting standards that may affect the University.

2. External Audit

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

- a. reviewing and recommending to the Board, for approval, engagement of the external auditor;
- b. reviewing the annual external audit plan, including but not limited to the following:
 - engagement letter;
 - objectives and scope of the external audit work;
 - materiality limit;
 - areas of audit risk;
 - timetable; and
 - proposed fees;
- c. meeting with the external auditor to discuss the annual financial statements and the auditor's report, including the appropriateness of accounting policies and underlying estimates;

- d. reviewing and advising the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
 - any difficulties encountered or restriction imposed by management during the annual audit;
 - any significant accounting or financial reporting issue;
 - the auditor’s evaluation of the University’s system of internal controls, procedures and documentation;
 - post audit or management letters containing any findings or recommendation of the external auditor, including management’s response thereto and subsequent follow-up on any identified internal control weaknesses;
 - any other matters the external auditor brings to the Committee’s attention; and
 - assessment of the performance and consideration of the annual appointment of external auditors for recommendation to the Board; and
- e. meeting at least annually with the external auditor without management present.

3. Budget Development

The Committee will, with the assistance of the Chief Financial Officer, monitor the budget development process including methodology used to establish operating and capital budgets.

4. Other

The Committee shall review its terms of reference annually and make recommendations to the Board as required.

Accountability

The Committee Chair shall make verbal or written reports to the Board after each meeting. The Committee shall maintain minutes of its meetings.

(f) **Investment Management Committee** whose principal duties are to:

- (i) Participate in selection of, and monitor performance of, the University’s Investment Advisor;
- (ii) Oversee and make recommendations for the University’s Investment Policy;
- (iii) Receive reports and recommendations from the University’s Investment Advisor;

The Investment Management Committee shall include: the President, four or more other Board Members (one of whom is a student) appointed by the Chair, and two Directors of the Foundation, nominated by the Foundation. The University's Vice-President Finance & Administration and the Foundation's Executive Director shall serve as resource persons to the Investment Management Committee.

The Board shall strive to appoint committee members who shall serve staggered terms so that no more than two of the Board members are new each year. Annually the Board will elect one to three Board members to the committee as required.