

## **Sail Canada Governance Policy; Board – Chief Executive Officer (CEO) Relationship**



These policies define the linkages and relationships between the Board and the CEO (CEO) including the assessment of CEO performance.

### **B-CEO: THE BOARD and CEO**

Because the Board of Directors is a policy making body, the link between the Board and the operation and administration of Sail Canada is limited to its communication with, and direction of, the CEO through the Chair

#### **B-CEO 1: Unity of Control**

*Only decisions of the Board acting as a body are binding on the CEO.  
Accordingly,*

B-CEO 1.1: Decisions or instructions of individual Board members or Board committees are not binding on the CEO except in rare instances when the Board has specifically delegated such exercises of authority.

B-CEO 1.2: In the case of Board members or Board committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive.

#### **B-CEO 2: Accountability of the CEO**

*The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO. Accordingly,*

B-CEO 2.1: The only employee who will receive instructions from the Board is the CEO.

B-CEO 2.2: The Board will refrain from evaluating, either formally or informally, any staff other than the CEO.

B-CEO 2.3: The Board will view CEO performance as vital to organizational performance. The organizational accomplishment of Board-stated Ends measured against benchmarks set out in the Strategic Plan, and avoidance of Board-proscribed limitations will be viewed as successful CEO performance.

#### **B-CEO 3: Delegation to the CEO**

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*The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational limitations. The CEO may use any reasonable interpretation of these policies. Accordingly,*

B-CEO 3.1: The Board will develop policies instructing the CEO to achieve certain results, for certain recipients. These policies will be called Ends policies.

B-CEO 3.2: The Board will develop policies that limit the latitude the CEO may exercise in choosing organizational means. These policies will be called Executive Limitations policies.

B-CEO 3.3: As long as the CEO uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, establish all practices, and develop all activities.

B-CEO 3.4: The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Board will respect and support the CEO's choices.

### **B-CEO 4: Monitoring CEO Performance**

*Systematic and rigorous monitoring of CEO performance will be solely against the expected CEO job outputs: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations. Accordingly,*

B-CEO 4.1: Monitoring is simply to determine the degree to which Board policies are being met. Data that are not relevant to Board policies will not be considered.

B-CEO 4.2: The Board will acquire monitoring data by at least one of the following three methods: (a) by internal report, in which the CEO discloses compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and (c) by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.

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B-CEO 4.3: In every case, the standard for compliance shall be any reasonable CEO interpretation of the Board policy being monitored.

B-CEO 4.4: All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend upon a routine schedule.

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