

Sample Duties and Expectations of a Director

Note: The following is intended to be an example that boards should adapt to meet their individual needs.

Purpose

The hospital is committed to ensuring that it achieves standards of excellence in the quality of its governance and has adopted this policy describing the duties and expectations of directors.

Application

This policy applies to all elected and *ex-officio* directors and is provided to directors before they are recruited for appointment to the board. Each director must confirm in writing that he or she will abide by this policy.

Position Description - Board of Directors

As a member of the board, and in contributing to the collective achievement of the role of the board, the individual director is responsible for the following:

Fiduciary Duties

Each director is responsible for fulfilling the Duty of Care, the Duty of Loyalty and the Duty of Obedience. The *Duty of Care* requires board members to act in good faith; to use the same degree of diligence, care and skill that a prudent person would use in similar situations or circumstances; and to act in a manner that they reasonably believe is in the best interest of the organization. The Duty of Care requires board members to make informed decisions; ask questions if issues are raised about the validity or completeness of the information presented to them; participate in deliberations and decisions; and to make informed decisions in good faith, without self-interest, and in the best interest of the corporation (thereby invoking the protection of the business judgment rule). The *Duty of Loyalty* requires board members to act solely in the best interest of the organization and to refrain from deriving personal gain to the organization's detriment. This duty includes a board's obligation to avoid impermissible conflicts of interest, prevents board members from usurping a corporate opportunity for their own personal gain and requires board members to preserve the confidentiality of the corporation's affairs. The *Duty of Obedience* requires the board and its members to comply with applicable federal, state, and local laws, rules and regulations; honor the terms and conditions of the organization's mission, bylaws, policies and procedures, and act at all times within the scope of their authority under the corporation's articles, bylaws and applicable laws.

Each director shall apply the level of skill and judgment that may reasonably be expected of a person with his or her knowledge and experience. Directors with special skill and knowledge are expected to apply that skill and knowledge to matters that come before the board.

Accountability

Each director's fiduciary duties are owed to the corporation. The director is not solely accountable to any special group or interest and shall act and make decisions that are in the best interest of the hospital, as a whole. A director shall be knowledgeable of the stakeholders to whom the hospital is accountable and shall appropriately take into account the interests of such stakeholders when making decisions as a director, but shall not prefer the interests of any one group if to do so would not be in the best interests of the hospital.

Education

Each director shall be knowledgeable about:

- The operations of the hospital;
- The health care needs of the community served;
- The health care environment generally;
- The duties and expectations of a director;
- The board's governance role and responsibilities;
- The board's governance structure and processes;
- The board-adopted governance policies; and,
- The hospital policies applicable to board members.

Each director will participate in a board orientation session, orientation to committees, board retreats and board education sessions. A director should attend additional appropriate educational conferences in accordance with board-approved policies.

Board Policies and Hospital Policies

Each director shall be knowledgeable of and comply with all board and hospital policies including but not limited to:

- The Board's Conflicts of Interest Policy;
- The Board's Minutes Policy;
- The Board's Confidentiality Policy;
- The Hospital's Code of Conduct;
- The Hospital's Whistleblower Policy;
- The Hospital's Document Destruction and Retention Policy;
- The Hospital's Executive Compensation Policy;
- The Hospital's Joint Venture and Investments Policy; and
- The Hospital's Compliance Policy.

Teamwork

Each director shall develop and maintain sound relations and work cooperatively and respectfully with the board chair, members of the board and senior management.

Community Representation and Support

Each director shall represent the board and the hospital in the community when asked to do so by the board chair. Board members shall support the hospital and the foundation through attendance at hospital and foundation sponsored events.

Time and Commitment

Each director is expected to commit the time required to perform board and committee duties. It is expected that a director will devote a minimum of ____hours per month.

The board meets ____ times a year and a director is expected to adhere to the board's attendance policy. Board and board committee members are expected to attend all board meetings and all meetings of the committees to which they are assigned. Directors and committee members may be unable to attend some meetings due to conflicts or other unforeseen circumstances. An attendance rate of at least 75 percent is acceptable.

Where a director or committee member fails to attend 75 percent of the meetings of the board or of a committee in a 12-month period, or is absent for three consecutive meetings, the chair will discuss the reasons for the absences with the member and may ask the individual to resign.

Each director is expected to serve on at least one standing committee. Committees generally meet monthly.

Contribution to Governance

Directors are expected to make a contribution to the governance role of the board through:

- Reading materials in advance of meetings and coming prepared to contribute to discussions;
- Discussing any additional items to be added to the proposed board meeting agenda with the board chair. If the chair and board member do not agree, notify the board chair and address the issue as "other business" during the meeting.
- Offering constructive contributions to board and committee discussions;
- Contributing his or her special expertise and skill;
- Respecting the views of other members of the board;
- Voicing conflicting opinions during board and committee meetings but respecting the decision of the majority even when the director does not agree with it;
- Respecting the role of the chair;
- Respecting the role and responsibilities of board committees; and,
- Participating in board evaluations and annual performance reviews.

Continuous Improvement

Each director shall commit to be responsible for continuous self-improvement, including participation in board education sessions and retreats. A director shall receive and act upon the results of board evaluations in a positive and constructive manner.

Term and Renewal

Directors are elected for a term of three years and may serve for a maximum of nine years. A director's renewal is not automatic and shall depend on the director's performance.

Amendment

This policy may be amended by the board.

Approval Date:

Last Review Date: