



HI CANADA

HOSTELLING INTERNATIONAL
PACIFIC MOUNTAIN REGION

Board Policy Manual

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Table of Contents

Introduction	1
1. Ends Policies	2
Mega End.....	2
1.1. Ends.....	3
1.1. Members and Travellers can experience Pacific Mountain Region’s unique geographical and cultural landscapes through a network of strategically located hostels. It is further interpreted to include but not limited to:.....	3
1.2. Members and Travellers in the Pacific Mountain Region can participate, in a genuine hostelling experience characterized by:.....	3
1.3. Members and Travellers in the Pacific Mountain Region can access a growing and financially-viable network of hostels. It is further interpreted to include but not limited to:	3
2. Board Self-Management Policies	5
Global Policy:	5
2.1. Governing Style	6
2.2. Board Job Description	7
2.3. Board Member’s Code of Conduct	8
2.4. Governing Processes	11
2.5. Board Committees	13
2.6. Board Renewal	14
2.7. Investment in Governance	15
2.8. National Association.....	17
2.9. Board Communication with Association Members.....	18
2.10. Linkage With Owners	20
2.11. CEO Recruitment	21
2.12. Board Self Evaluation.....	22
2.13. Board Financial Oversight and Accountability to the Membership	23
3. Board and Executive Relationship Policies	25
Global Policy	25
3.1. Unity of Control	26
3.2. Accountability of the CEO	27
3.3. Delegation to the CEO	28
3.4. CEO Development	29
3.5. Monitoring Executive Performance.....	30
4. Executive Limitation Policies.....	31
Mega-Limitation:.....	31
4.1. Board Communications, Counsel and Support.....	32
4.2. Financial Management.....	33
4.3. Financial Planning.....	34
4.4. Risk Management	35
4.5. Treatment of People.....	36
4.6. Hostel Operations	37
4.7. Hostel Development.....	38

INTRODUCTION

The model of governance adopted by the Hostelling International – Canada – Pacific Mountain Region Board of Directors is based on the Policy Governance® model. The model takes as its starting point the principle that a governing Board acts on behalf of an identifiable ownership and is accountable for ensuring the Association achieves what it should while avoiding what is unacceptable. The Board is a corporate body that speaks with one voice through policy and focuses on outcomes not process. The model asserts that effective governance is governance through the creation and monitoring of policy – not just any kind of policy but policy specifically designed for the purpose of governing. The only other governing documents are Letters Patent, by-laws, and minutes of Board meetings.

POLICY TYPES

Ends: Ends are mission-related policies that describe the Board's expectations about 1) the benefit, difference, or results in people's lives that the Association is to produce, 2) the target groups for whom the difference is to be made, and 3) the cost or relative worth of the benefit. Ends policies answer the question What Good? For Which People? At What Cost?

Executive Limitations: While the Board prescribes what Ends it wants the Association to achieve, it also sets limits on the means by which the staff operates. These limits are statements of prudence and ethics that form a boundary on staff practices, activities, circumstances and methods. In Executive Limitations policies the Board states clearly what it will not allow which empowers the staff to use their full creative powers and skills.

Board: CEO Relationship - In addition to defining what the Association is to produce and what constitutes inappropriate staff practices, the Board sets policies about how it relates to staff. The Policy Governance model envisions the CEO as the link between the Board and the rest of the staff and the Board's sole employee. Board/CEO Relationship policies clarify the manner in which the Board delegates authority to the CEO as well as how it monitors and evaluates his or her performance.

Governance Process: In these policies the Board determines its philosophy, its accountability, and the specifics of its own job. The effective design of its own rules and processes ensures that the Board will fulfill its three primary responsibilities: maintaining links to the ownership, establishing the four categories of written policies, and assuring staff performance.

THE CRAFTING OF POLICIES

Within Policy Governance, policy is crafted in a very distinct way. In each policy type, the Board starts with a statement that expresses its broadest values and then moves down level by level until it feels it has said enough. The CEO is free to act on any reasonable interpretation of the Board's Ends and Executive Limitations policies and the Board Chair is free to act on any reasonable interpretation of the Board's Governance Process and Board/CEO Relationship policies.

WORKING WITH THE POLICIES

The Board can only be truly accountable if it is monitoring the implementation of its policies. The criteria for monitoring compliance are contained in the policies.

With Policy Governance the Board's policies are always current because the Board resolves issues and makes decisions by reviewing its policies. If they find they have not said enough, or have not said what they now want to say – they change the relevant policy and therefore change their expectations of the CEO or of themselves. Board decision making is always an amendment of, or an addition to, existing policy.

1. ENDS POLICIES

Mega End

A community of travellers, when experiencing people, places, and cultures in Western Canada, have as many genuine hostelling options as the organization can sustain.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 15, 2007	January 25, 2009	
	October 18, 2008	March 28, 2009	
	April 10, 2011	May 16, 2010	May 16, 2010
	March 30, 2012		
	May 26, 2013		
	May 25, 2014		

1.1. Ends

1.1. Members and Travellers can experience Pacific Mountain Region's unique geographical and cultural landscapes through a network of strategically located hostels. It is further interpreted to include but not limited to:

- 1.1.1 Hostels are located to provide access to a spectrum of geographical and cultural landscapes in the Pacific Mountain Region.
- 1.1.2 HI Pacific Mountain Region - owned hostels situated in all key urban and top international destinations in the Pacific Mountain Region.
- 1.1.3 The wilderness hostels have an annual occupancy rate of 65% at a net direct operating cost not exceeding, as a group, \$50,000

1.2. Members and Travellers in the Pacific Mountain Region can participate, in a genuine hostelling experience characterized by:

- 1.2.1 A focus on affordability.
- 1.2.2 A welcoming environment for all.
- 1.2.3 An emphasis on enriching experiences through a sense of community and a strong connection to surrounding culture and geography.
- 1.2.4 A focus on participation and volunteerism.
- 1.2.5 Responsible environmental stewardship.
- 1.2.6 The security of people and possessions.
- 1.2.7 Consistent cleanliness.

1.3. Members and Travellers in the Pacific Mountain Region can access a growing and financially-viable network of hostels. It is further interpreted to include but not limited to:

- 1.3.1 A network of 45 owned and affiliate hostels.
- 1.3.2 A flagship hostel in Vancouver.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 15, 2007	January 25, 2009	October 21, 2006
	October 18, 2008	March 28, 2009	January 25, 2009
	March 27, 2010	May 16, 2010	March 28, 2009
	April 10, 2011	May 29, 2011	May 16, 2010
	March 30, 2012	October 26, 2014	October 26, 2014
	May 26, 2013	May 26, 2018	May 26, 2018
	May 25, 2014	October 20, 2019	
	May 26, 2018		
	June 02, 2019		

2. BOARD SELF-MANAGEMENT POLICIES

These policies define the way the Board will manage itself.

This section can also be referred to as Governance Process

Global Policy:

The purpose of the Board of the Association, on behalf of the moral owners, is to see to it that the Association achieves its Ends and operates within the boundaries established by the Board in the Executive Limitation Policies.

2.1. Governing Style

The Board will govern lawfully and with an emphasis on outward vision, commitment to obtaining ownership input, encouragement of diversity in viewpoints, strategic leadership, clear distinction of Board and CEO roles, collective decision, and a proactive future focus. Accordingly:

- 2.1.1. The Board will direct, control and lead the Association through the careful establishment and review of broad written policies. The Governance Committee Chair shall have the authority to revise policies to reflect minor changes that, in his or her opinion, do not significantly alter the meaning of the policy, and shall notify the Board of all revisions made to policy. Any revision that will significantly alter the meaning of a policy shall be decided by the full Board. Any Board member or the CEO may request that a review of or a change to specific policies be added to the Board meeting agenda.
- 2.1.2. The Board will monitor and evaluate its own processes and performance, and will implement appropriate means to achieve governing excellence.
- 2.1.3. The Board shall exercise its governing authority as a whole. No individual Board member may exercise such authority except as instructed by the Board.
- 2.1.4. The Board shall establish effective and regular ways of monitoring compliance with Executive Limitation Policies and progress in achieving Ends Policies.

Adopted	Monitored	Reviewed	Amended
April 14, 2007	April 19, 2008	October 27, 2007	October 27, 2007
	March 29, 2009	April 05, 2014	April 05, 2014
	February 07, 2010	April 08, 2017	April 08, 2017
	February 06, 2011		
	February 05, 2012		
	January 12, 2013		
	February 01, 2014		
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.2. Board Job Description

The job of the Board is to represent the membership of HI-C-PM Region. In doing so, Directors and the Board must be aware that their responsibilities to the membership differ from those of management. In particular, the role of the Board is to be accountable to the members with regards to fiscal responsibility, maintenance and improvement of assets, and adherence and compliance to the mission statement. The Board will concentrate on the following job “products,” or outputs:

2.2.1. The link between the Board and the Owners

2.2.2. Written governing policies which, at the broadest level, address Ends, Board Self Management (Governance Process), Board-Executive Relationship, and Executive Limitations

2.2.3. The comprehensive and timely monitoring of executive performance. A Governance Committee monitoring plan will be presented to the Board which will itemize limitation policies that will be subject of direct or external monitoring for the current fiscal year. This plan will be presented at the first full Board meeting after the Annual General Meeting. The Board may update the plan at any time.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 19, 2008	April 15, 2007	April 15, 2007
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010	March 27, 2010	March 27, 2010
	February 6, 2011	April 13, 2013	April 13, 2013
	February 05, 2012	April 07, 2018	
	January 12, 2013		
	February 01, 2014		
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.3. Board Member's Code of Conduct

Board members have a responsibility to each other, the membership, and to the employees of the Association. Accordingly,

- 2.3.1. They shall attend and participate at Board meetings.
- 2.3.2. They shall be prepared for the Board meetings.
- 2.3.3. They shall become familiar with the Board policy manual and the Association's Bylaws.
- 2.3.4. They shall make informed decisions by insisting on complete, accurate and timely information and then support all decisions made by the board once they have been fully discussed and resolved by the Board.
- 2.3.5. They shall show respect for others and their opinions and respect the right of others to disagree.
- 2.3.6. They shall actively discipline themselves and other members of the Board of Directors by identifying Board actions and conditions that run counter to these policies.
- 2.3.7. They shall bring to the Chair's immediate attention any condition or action that they believe exceeds an Executive Limitation Policy or is in non-compliance with Bylaws.
- 2.3.8. The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.
- 2.3.9. Board Members must act in the best interest of the membership.
- 2.3.10. In order to develop an unbiased view and reach objective decisions, Board members have an obligation to identify all conflicts of interest and have the Board resolve unacceptable conflicts of interests. Therefore,
 - 2.3.10.1. Board members shall disclose to the Chair any potential conflict of interest.
 - 2.3.10.2. Unsettled matters shall be reported to the Board for appropriate action.
 - 2.3.10.3. Board members shall not accept any gifts or favours of a substantial nature from any organization doing or seeking business with HI-C-PM Region.
 - 2.3.10.4. Board members shall not enter into activities or share information acquired in the course of HI-C-PM Region service which may adversely affect the Association or public image to HI-C-PM Region.
- 2.3.11. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - 2.3.11.1. When the Board is to decide upon a financial or legal issue, about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from deliberations.
 - 2.3.11.2. Board members will not use their Board position to obtain employment in the Association for themselves, family members, or close associates. Should a Board member apply for employment, he or she must first resign from the

Board and discontinue future involvement with the Board until such time as the employment with the Association has completed.

2.3.12. Reimbursement of directors' expenses will be consistent with management operating policies.

2.3.13. Board members may not attempt to exercise individual authority over the Association, the CEO, or as spokesperson for the Association, unless explicitly authorized by the Board to do so in writing.

2.3.14. An individual director shall maintain confidentiality as needed to protect the association's interests and financial viability, and personal privacy.

- Board members shall not discuss confidential association actions, policies, or issues with members, employees, or the general public unless the board has decided that such information is no longer confidential.
- All issues related to personnel, real estate transactions, pending litigation, and details of association's financial status will be considered sensitive issues subject to confidentiality unless:
 - The information in question has already been released without conditions by the CEO or Board,
 - The Director is authorized to release the information, or
 - Full general disclosure of the information is approved by the Board.
- The expiration of term of office, by termination or otherwise, does not terminate this obligation.
- Board members will maintain Board documents in an appropriate manner. Upon leaving the board, directors shall shred all confidential materials and delete all electronic materials.
- This policy does not preclude an individual Director from showing the information to personal legal counsel related to concerns of personal liability or wrongdoing. However, a Board decision to seek legal or other counsel is preferred to individual action.
- When considering the release of personal information, or other information that may create personal or Board liability, legal advice should be considered.

2.3.15. Where a Board member has a concern related to committee work, the concern shall be raised with the committee chair first, the committee as a whole second, the Board chair third and the Board as a whole fourth.

2.3.16. The Board members shall be open to discuss all board issues at the Board table including, but not limited to issues of personal conduct and transgressions of acceptable Board behaviour.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 19, 2008	April 15, 2007	April 15, 2007
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010		May 28, 2008
	February 06, 2011	October 18, 2008	October 18, 2008
	February 05, 2012	May 24, 2009	January 25, 2009
	January 12, 2013	April 09, 2011	May 24, 2009
	February 01, 2014	March 31, 2012	April 09, 2011

	February 01, 2015	April 13, 2013	March 30, 2012
	January 31, 2016	April 05, 2014	April 13, 2013
	February 05, 2017	April 11, 2015	April 11, 2015
	February 04, 2018	May 29, 2016	May 29, 2016
	February 06, 2019	April 07, 2018	April 07, 2018

2.4. Governing Processes

- 2.4.1. To accomplish its job outputs with a governance style consistent with Board policies, the Board will follow an annual Board Calendar.
- 2.4.2. The Board intentionally establishes a basic process for its meetings. The purpose is to assist the Board in processing information in order to maintain a policy based orientation. The Board agenda shall work in tandem with the annual plan, policy review and monitoring calendar, and shall generally include the following:
- 2.4.2.1. Ownership Linkage
 - 2.4.2.2. Board Education
 - 2.4.2.3. Board Decisions (required as per policy or with respect to policy creation/amendment/deletion)
 - 2.4.2.4. Policy Monitoring
 - 2.4.2.5. Policy Review
 - 2.4.2.6. Information Requested by the Board
 - 2.4.2.7. Self-evaluation of governance process at this meeting
- 2.4.3. Officers of the Board shall be the Chair and two Vice Chairs. The officers of the Board shall not assume any part of the management of the Association.
- 2.4.4. In addition to the duties specifically referenced in the Association's bylaws, the Chair shall be responsible to:
- 2.4.4.1. Establish the agenda for Board meetings in cooperation with the CEO and in compliance with policies established by the Board.
 - 2.4.4.2. To discuss and review corrective actions with individual Board members when they violate their responsibilities. When resolution cannot be obtained with an individual Board member, the matter shall be brought before the full Board.
 - 2.4.4.3. To monitor Board members attendance and contributions the chair ensures Board Members contribute in a meaningful way that fulfills their various roles and responsibilities.
 - 2.4.4.4. To act in all areas of Board management left unstated within these policies.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 19, 2008	April 15, 2007	October 27, 2007
	March 29, 2009	March 29, 2009	March 29, 2009
	February 07, 2010	March 27, 2010	March 27, 2010
	February 6, 2011	March 30, 2012	April 05, 2014
	February 05, 2012	April 13, 2013	April 07, 2018
	January 12, 2013	April 05, 2014	
	February 01, 2014	April 11, 2015	

	February 01, 2015	April 07, 2018	
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.5. Board Committees

The Board may from time to time use committees, but always consistent with the following principles:

- 2.5.1. Board Committee responsibilities shall flow directly from the Board's description of its job, shall be set forth in written terms of reference with an appropriate period for existence, and shall not impinge upon responsibilities delegated to the CEO. Committees shall not do work that has been delegated to the CEO and not delegate the responsibility of Board Committees to the CEO.
- 2.5.2. Board Committees shall have no executive or decision-making authority except when empowered by the Board in writing.
- 2.5.3. All Board Committees:
 - 2.5.3.1. Shall be chaired by a member of the Board
 - 2.5.3.2. Except for the CEO Relationship Committee, other committees may include in their composition, individuals who are not on the Board
 - 2.5.3.3. Will receive a written Terms of Reference from the Board
 - 2.5.3.4. The Board shall establish and maintain the following standing committees:
 - a. Governance Committee
 - b. Nominating Committee
 - c. Audit Committee
 - d. CEO Relationship Committee
 - e. Ownership Linkage Committee
- 2.5.4. Board Committees may not speak or act for the Board except when formally given such authority in writing.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 19, 2008	April 15, 2007	October 27, 2007
	March 29, 2009	April 09, 2011	May 28, 2008
	February 07, 2010	May 29, 2011	April 10, 2011
	February 6, 2011	April 13, 2013	May 29, 2011
	February 05, 2012	April 05, 2014	April 13, 2013
	January 12, 2013	April 07, 2018	April 05, 2014
	February 01, 2014		February 05, 2017
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.6. Board Renewal

Consistency and continuity of Board governance are essential to ensure and support smooth operation of Association activities and to achieve the objectives as outlined in the Association's Governing Documents. Accordingly, to ensure these conditions, the Board will not fail to:

- 2.6.1. Appoint the Nominating Committee at the first Board meeting subsequent to the AGM.
- 2.6.2. Ensure that the Nominating Committee reviews, updates, and follows the Nominating/Election/AGM Planning Schedule.
- 2.6.3. Ensure that the Board is reflective of owner's expectations and the Board's needs and shall not fail to seek Board candidates that align with these goals.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	April 19, 2008	April 15, 2007	
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010	May 24, 2009	May 24, 2009
	February 6, 2011	April 09, 2011	April 09, 2011
	February 05, 2012	March 30, 2012	March 30, 2012
	January 12, 2013	April 13, 2013	April 13, 2013
	February 01, 2014	April 05, 2014	February 01, 2014
	February 01, 2015	April 08, 2017	April 08, 2017
	January 31, 2016	April 07, 2018	
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.7. Investment in Governance

The Board deems governance significant and will therefore invest to further the education and capacity of the Board. Accordingly:

2.7.1. The Board shall maintain an Annual Education Plan which shall include:

Governance Education, being

- Governance orientation training for new Board members and
- Education that will increase Board member governance skills and knowledge

Education related to Board Ends and Limitations

- The Board will decide at each annual retreat what topics would be of interest for the following year.
- Ends related education will be included in Board meetings on a regular basis.

2.7.2. Board education will average between 1.5 and 2 hours of Board time per weekend Board meeting over the course of the Board year.

2.7.3. The Board may engage external resources to assist the Board in enhancing its education and capacity.

2.7.4. Outside monitoring assistance will be arranged so that the Board can exercise confident control over Association performance. This includes, but is not limited to, the fiscal audit.

2.7.5. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.

2.7.6. Annually the Board will develop a budget related to the work of the Board consistent with the annual Board work plan and this policy.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	May 21, 2008	April 15, 2007	
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010	March 27, 2010	February 07, 2010
	February 6, 2011	April 09, 2011	March 27, 2010
	February 05, 2012	April 13, 2013	April 09, 2011
	January 12, 2013	April 05, 2014	April 05, 2014
	February 01, 2014	May 24, 2014	April 08, 2017
	February 01, 2015	April 08, 2017	
	January 31, 2016	April 07, 2018	

	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.8. National Association

- 2.8.1. The Board is responsible for representing the owner interest of the Hostelling International - Pacific Mountain Region Members at the National Association level. When required by National Association bylaws, the Board shall exercise this role through a National Delegate who shall be a Director appointed by the Board.
- 2.8.2. The Board shall encourage a meaningful dialogue between the National Association and all the Regions.
- 2.8.3. The Association's participation in the National Association is not intended to limit the authority of the CEO in the conducting operations of the Association within its recognized regional boundaries or in the Association's operational dealings with other regional associations or the National Association.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	May 21, 2008	April 15, 2007	
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010	March 28, 2009	March 28, 2009
	February 6, 2011	March 30, 2012	March 30, 2012
	February 05, 2012	April 05, 2014	April 05, 2014
	January 12, 2013	April 11, 2015	
	February 01, 2014		
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.9. Board Communication with Association Members

- 2.9.1. The Board shall maintain its credibility and legitimacy for providing leadership to and direction of the Association through communication with the membership. Communication shall include both active listening and providing information to the members on areas of concern. Significant decisions made by the Board should be based on the premise that the Association is member based and that the members may need to participate in and be made aware of significant changes occurring in the Association.
- 2.9.2. The Board shall communicate with Association members as specified by the Association bylaws, or on matters that the Board judges could have a significant impact on the Association or its members. Means of communication may include the Annual General Meeting, Special General Meetings, Member Updates or other means deemed appropriate by the Board.
- 2.9.3. The Board shall alert the membership and seek additional input from them related to significant strategic directional changes. This shall occur before the Board makes a final decision regarding these changes.
- 2.9.4. For Association members to be able to communicate with the Board, the Board must be known and visible. A means to communicate with the Board shall be made available.
- 2.9.5. To ensure that the Board has a presence with members, and members have the opportunity to interact with the Board, the AGM will be rotated between Vancouver, Calgary and Edmonton. A Member Update shall be held in each city not hosting the AGM. This does not preclude the Board from scheduling additional Member Updates in other locations.
- 2.9.6. The Board recognizes that Association members may want to be informed of business occurring at Board meetings. The Board is concerned that certain items discussed at Board meetings may be confidential or sensitive to the Association's activities or operations. Therefore, a summary of all True North Entities' Board meetings which do not include confidential or sensitive issues, shall be prepared by the meeting secretary and circulated to the Board for approval and posted on the Association website within 21 days following any Board meeting.
- 2.9.7. The Board will ensure that the Notice of Board meetings are posted to the Association website.

Adopted	Monitored	Reviewed	Amended
June 17, 2006	May 21, 2008	April 15, 2007	April 15, 2007
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010	May 24, 2009	May 28, 2008
	February 6, 2011	March 27, 2010	May 24, 2009
	February 05, 2012	April 09, 2011	March 27, 2010
	January 12, 2013	March 30, 2012	April 09, 2011
	February 01, 2014	April 11, 2015	March 30, 2012
	February 01, 2015		April 11, 2015
	January 31, 2016		February 05, 2017
	February 05, 2017		

	February 04, 2018		
	February 06, 2019		

2.10. Linkage With Owners

The Board governs the Association in the interests of its ownership – defined to be **“those members who are committed to hostelling and a hostelling community as a unique way to see the world and experience people, places and cultures”**.

While the Association’s owners (“Owners”) may be users of hostels, not all users are Owners. Owners are defined, not by their own use of hostels in recreational or travel pursuits, but in their willingness to commit their energy and/or resources to improving hostelling in Western Canada, specifically, and the world, generally, through Hostelling International.

As the representative of owner interest, the Board shall maintain a credible and continuing link between itself and the Owners to provide for transparency and accountability and to inform its policies.

Accordingly,

- 2.10.1. The Board will maintain an Ownership Linkage Committee to oversee the Board’s linkage with Owners, where the committee shall submit a proposed ownership linkage plan to the Board every three years and a progress report submitted every year.
- 2.10.2. Within reasonable cost constraints, the Board’s linkage will include but is not limited to:
 - 2.10.2.1. Seeking Owners’ values on what the Association should achieve and the limitations within which achievement should be accomplished.
 - 2.10.2.2. Informing Owners about the Board’s governance work and educating Owners on their role as Owners.
 - 2.10.2.3. Accounting to the Owners about the Association’s accomplishment of Ends within acceptable means.
 - 2.10.2.4. Any other specific outcomes as identified
- 2.10.3. The committee will make use of the website, annual report, the Annual General Meeting, Member Updates and other communication tools to communicate with and engage Owners.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	May 21, 2008	April 15, 2007	June 17, 2007
	March 29, 2009	October 27, 2007	October 27, 2007
	February 07, 2010	March 29, 2009	March 29, 2009
	February 6, 2011	April 09, 2011	April 09, 2011
	February 05, 2012	March 30, 2012	March 30, 2012
	January 12, 2013	April 05, 2014	April 11, 2015
	February 01, 2014	April 11, 2015	
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.11. CEO Recruitment

- 2.11.1. Prior to initiating any CEO search process, the Board shall review the competency matrix and all CEO compensation, benefits, and personal development policies.

Adopted	Monitored	Reviewed	Amended
February 11, 2007	May 21, 2008	April 15, 2007	October 31, 2010
	March 29, 2009	April 07, 2018	April 07, 2018
	February 07, 2010		
	February 6, 2011		
	February 05, 2012		
	January 12, 2013		
	February 01, 2014		
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.12. Board Self Evaluation

In order to discipline itself and its efforts, the Board shall regularly self-evaluate its own processes and performance. Accordingly,

- 2.12.1. At each meeting Directors in attendance shall complete a Board Meeting Evaluation questionnaire that focuses on assessing the Board's adherence to its policies and to policy-based leadership during the conduct of its meetings.

Adopted	Monitored	Reviewed	Amended
April 15, 2007	May 21, 2008	October 27, 2007	October 27, 2007
	March 29, 2009	April 09, 2011	February 7, 2010
	February 6, 2011	March 30, 2012	April 09, 2011
	February 05, 2012	April 07, 2018	March 30, 2012
	January 12, 2013		
	February 01, 2014		
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.13. Board Financial Oversight and Accountability to the Membership

The Board is accountable to the membership for ensuring the financial integrity and sustainability of the Association. Accordingly:

- 2.13.1. The Board shall ensure that it has effective processes in place to evaluate and select audit firms to recommend to the membership as the Association auditors in accordance with Article 10 of the Bylaws and; to monitor and evaluate the auditor’s performance and value for fees.
- 2.13.2. The Board shall maintain an Audit Committee to assist the Board in its oversight of financial matters affecting the Association by receiving and evaluating the auditor’s report on behalf of the Board and providing recommendations to the Board regarding the annual audit.
- 2.13.3. The Board shall ensure that appropriate independence and continued value is provided by the auditors by:
 - 2.13.3.1 Annually assessing the auditor’s performance and audit costs, prior to recommending that audit firm to the membership for reappointment as the Association auditor for the following fiscal year.
 - 2.13.3.2. Notwithstanding 2.13.3.1, every five years after appointment of the new audit firm, the Audit Committee will provide a formal review to the Board on the audit firm’s performance and value to date and if a Request for Proposals (RFP) process is required.
 - 2.13.3.3. Changing the audit firm at least once every ten years through a RFP process. For clarity, no firm may serve as the Association’s auditor for a period of more than ten consecutive fiscal years.
 - 2.13.3.4. Requiring the Association’s Auditor to change their key audit partner after serving for five consecutive years.
- 2.13.4. Notwithstanding 2.13.3.2 and 2.13.3.3, in the event that the Audit Committee has any concerns with the auditor’s performance or cost of audit following initial appointment that cannot be effectively resolved with the firm, the Audit Committee shall recommend to the Board that the firm not be re-appointed and that an RFP process be initiated to select a new audit firm.

Adopted	Monitored	Reviewed	Amended
April 10, 2011	February 05, 2012	April 05, 2014	
	January 12, 2013	April 07, 2018	
	February 01, 2014		
	February 01, 2015		
	January 31, 2016		
	February 05, 2017		
	February 04, 2018		
	February 06, 2019		

2.14. Subsidiary and Controlled Organizations

The Board is responsible for representing the Association owners' interests in the governance of current or future subsidiary and controlled organizations. The Board shall exercise this role as members and moral owners of these organizations, through the election or appointment of individual directors to the Boards of these organizations, or by other means as necessary.

2.14.1 The Board shall ensure that the by-laws of each such organization have sufficient safeguards to ensure that the organizations exist and function solely as means in the pursuit of the Association's Ends.

2.14.2 The Executive Limitations and Governance Process policies of the Association apply to the Board and CEO's involvement with and oversight of the subsidiary or controlled organizations. The Board's participation in the subsidiary or controlled organizations is not intended to limit the authority of the CEO in the conducting operations of the Association.

2.14.3 The subsidiary and controlled organizations include, but are not limited to, the Southern Alberta Hostelling dba True North Hostelling SA (2009), Canadian Hostelling Association Northern Alberta District dba True North Hostelling NA (2009), Canadian Hostelling Association/Association Canadienne De L'Agisme – British Columbia Region dba True North Hostelling BC (2009), 477604 Alberta Inc. o/a The Canadian Alpine Centre & Hostelling International Lake Louise, the Canadian Hostelling Association – Prairie Region Inc./Association Canadienne De L'Agisme – Region des Prairies, or 1025 Granville Trust.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	February 04, 2018		
	February 06, 2019		

3. BOARD AND EXECUTIVE RELATIONSHIP POLICIES

Global Policy

The Board's sole official connection to the Association's operational organization, its achievements, and conduct will be through the CEO.

3.1. Unity of Control

3.1.1. Only decisions approved by the Board, when acting as a body, are binding on the CEO.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	February 10, 2008		
	May 24, 2009		
	May 29, 2011		
	May 27, 2012		
	May 25, 2013		
	April 05, 2014		
	April 12, 2015		
	April 03, 2016		
	April 09, 2017		
	April 07, 2018		
	April 07, 2019		
	February 02, 2020		

3.2. Accountability of the CEO

3.2.1. The CEO is the Board’s only link to operational achievement and conduct. All authority and accountability of staff rests with the CEO.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	February 10, 2008		
	May 24, 2009		
	May 29, 2011		
	May 27, 2012		
	May 25, 2013		
	April 05, 2014		
	April 12, 2015		
	April 03, 2016		
	April 09, 2017		
	April 07, 2018		
	April 07, 2019		
	February 02, 2020		

3.3. Delegation to the CEO

The Board will instruct the CEO through written policies, allowing the CEO to use reasonable interpretation of these policies. Accordingly,

- 3.3.1. The Board will develop policies instructing the CEO to achieve certain results, for certain recipients, at a specified cost. These policies will be called End Policies.
- 3.3.2. The Board will develop policies that limit the latitude the CEO may exercise in choosing the Association’s organizational means. These policies will be called Executive Limitations.
- 3.3.3. As long as the CEO uses any reasonable interpretation of the Board policies, the CEO is authorized to establish all further operating policies, decisions, actions, practices, and activities.
- 3.3.4. The Board may change the Board policies, thereby shifting the boundary between Board and Executive domains. By doing so, the Board changes the latitude of choice given to the CEO.

Adopted	Monitored	Reviewed	Amended
May 29, 2005	February 10, 2008	October 27, 2007	October 27, 2007
	May 24, 2009	October 21, 2012	
	May 29, 2011	January 13, 2013	
	May 27, 2012		
	May 25, 2013		
	April 05, 2014		
	April 12, 2015		
	April 03, 2016		
	April 09, 2017		
	April 07, 2018		
	April 07, 2019		
	February 02, 2020		

3.4. CEO Development

The Board will support CEO development in three ways:

- 3.4.1. Every 36 months the Board will ensure that the CEO conducts a “360 Degree Feedback Process.”
- 3.4.2. Annually the Board will provide to the CEO Board-only informal feedback related to the CEO.
- 3.4.3. The Board will ensure provisions for supporting professional memberships and development are included in each new CEO contract.

The purpose of this feedback will be for performance maintenance and improvement only and will not be related to compensation or bonus establishment.

Adopted	Monitored	Reviewed	Amended
February 10, 2007	February 10, 2008	October 31, 2010	April 15, 2007
	May 24, 2009	October 21, 2012	October 31, 2010
	May 29, 2011	January 13, 2013	May 24, 2014
	May 27, 2012	November 02, 2013	April 03, 2016
	May 25, 2013	May 24, 2014	
	April 05, 2014		
	April 12, 2015		
	April 03, 2016		
	April 09, 2017		
	April 07, 2018		
	April 07, 2019		
	February 02, 2020		

3.5. Monitoring Executive Performance

Executive job performance will be determined using accomplishment of Board Ends policies and organizational operation within the boundaries established by Board policies on Executive Limitations. Accordingly,

- 3.5.1. Monitoring is to determine the degree to which Board policies are being followed.
- 3.5.2. The Board may acquire monitoring data: (a) through CEO reports (b) through reports by external parties selected by the Board, and (c) through direct Board inspection.
- 3.5.3. In every case, the standard for compliance shall be any reasonable CEO interpretation of the Board policy being monitored. The Board is the final judge of reasonableness, but will always judge with a “reasonable person test” rather than with interpretations favoured by Board members or the Board.
- 3.5.4. The policies, which guide the CEO, will be monitored by a method and a frequency chosen by the Board.
- 3.5.5. Annually, the Board will use the policy monitoring reports and information the Board obtains through direct inspections and external monitoring to conduct a formal evaluation of the CEO’s performance.

Adopted	Monitored	Reviewed	Amended
April 15, 2007	February 10, 2008	October 31, 2010	October 31, 2010
	May 24, 2009	November 02, 2013	November 02, 2013
	May 29, 2011		April 03, 2016
	May 27, 2012		
	May 25, 2013		
	April 05, 2014		
	April 12, 2015		
	April 03, 2016		
	April 09, 2017		
	April 07, 2018		
	April 07, 2019		
	February 02, 2020		

4. EXECUTIVE LIMITATION POLICIES

These are the constraints placed on the CEO's efforts to achieve the End Policies. The Mega-Limitation is further defined by the sections that follow it. These sections are not mutually exclusive, since they do not limit actions independently. Each section is further limited by all other sections.

All actions are acceptable unless restricted by these Executive Limitation Policies.

Mega-Limitation:

The CEO shall not cause nor allow any practice, activity, decision, or organizational circumstance that is unlawful, unethical, imprudent, inconsistent with the known values of the Association's moral ownership as identified by the Board from time to time, or otherwise specifically prohibited by the Board through policy.

Adopted	Monitored	Reviewed	Amended
October 22, 2017			

4.1. Board Communications, Counsel and Support

The CEO must not cause or allow the Board to be uninformed, misinformed or unsupported in its work. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.1.1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
- 4.1.2. Report in an untimely manner any actual or anticipated non-compliance with any Executive Limitation policy, along with a plan for achieving compliance and a proposed schedule for follow-up reporting.
- 4.1.3. Cause or allow the Board to be unaware of relevant legal issues, media coverage of the Association, hostelling and travel/tourism trends, HI-C owner communications and NAGM resolutions, internal and external changes impacting the Association, public events of the Association, and management plans to achieve Ends progress.
- 4.1.4. Cause or allow records and information required by law or of historical significance to be retained using methods that do not maintain the integrity of the information or do not allow the information to be readily available when required.
- 4.1.5. Deal with the Board in a way that favors or privileges certain directors over others, except when responding to directors, officers or committees duly charged by the Board.
- 4.1.6. Cause or allow approvals of decisions or actions to be excluded from the Board's consent agenda, when those decisions or actions were delegated to the CEO but are required by law, regulation, or contract to be Board-approved.
- 4.1.7. Cause or allow the Board to be unaware of the CEO's plans to ensure effective continuity of operations and governance support during temporary and/or emergency CEO and senior management absences or vacancies.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	October 20, 2019		

4.2. Financial Management

The CEO shall not cause or allow financial management and reporting processes and practices that fail to follow generally accepted accounting practices, internal controls as accepted by the Association's auditors, and the known values of the Association's moral owners as identified by the Board from time to time. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.2.1 Cause or allow tax or other government-ordered payments or filings to be overdue or inaccurately filed.
- 4.2.2 Cause or allow funds to be disbursed to the CEO without appropriate authorization.
- 4.2.3 Cause or allow the Board to be unaware, in a timely manner, of plans and the rationale for:
 - 4.2.3.1 Planned leasing arrangements greater than \$ 25,000 per annum in a single or related group of transactions.
 - 4.2.3.2 Planned mortgages or other encumbrances on Association assets exceeding \$100,000 in a single or related group of transactions.
 - 4.2.3.3 Planned transactions drawing on \$50,000 of the Association's line of credit in a single transaction or related group of transactions which are outside of normal operations.
 - 4.2.3.4 A planned draw on the line of credit for normal operating purposes (ie payroll, purchase of equipment etc.) that will not be repaid within 30 days of borrowing.
- 4.2.4 Cause or allow a staff compensation and benefits plan that deviates materially from comparable geographic market parameters.
- 4.2.5 Cause or allow the CEO salary and benefits to be revised, or any bonus compensation to be paid, without written notice provided by the Board to the individual responsible for administering CEO payroll and benefits.
- 4.2.6 Cause or allow plans or transactions that would jeopardize the Association's tax exempt status.
- 4.2.7 Cause or allow any Board member, the CEO, or any management staff member to undertake their duties on behalf of the Association without both the individual and the Association having a copy of a Conflict of Interest Agreement signed by the individual which is reviewed on a regular basis.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	October 20, 2019		

External Monitoring – May 2019 by PWC Policy 4.2.1

4.3. Financial Planning

The CEO shall not cause or allow financial planning that is incompatible with Ends progress, involves undue risk, and that does not facilitate effective target-setting, forecasting and resource allocation over a time period appropriate for the Association. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.3.1. Cause or allow financial forecasts and resource allocation to remain unchanged for more than one quarter in response to identified external and internal changes.
- 4.3.2. Cause or allow the absence of quarterly targets, forecasts and resource allocations that demonstrate acceptable Ends progress and cover, at a minimum, eight quarters.
- 4.3.3. Cause or allow inadequate capital funds to be available each quarter for planned hostel maintenance and improvements, and for a reasonable estimate of unplanned or emergency hostel maintenance.
- 4.3.4. Cause or allow inadequate funds to be available in any quarter for planned allocations to the hostel development fund.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	October 20, 2019		

4.4. Risk Management

The CEO shall not put organizational assets or Ends achievement in jeopardy through inadequate risk management. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.4.1 Implement strategies that are unsupported by research and/or past performance, or which cannot be effectively linked to Ends progress, or which cannot be appropriately funded.
- 4.4.2 Cause or allow the Association’s monetary, physical, intangible and human assets to be underutilized, insufficiently protected, inadequately maintained, or unnecessarily risked. Without limiting the scope of this limitation, the CEO shall specifically not:
 - 4.4.2.1 Operate the Association without a significant focus on the development of strategic and operational partnerships in the region with non-profits, educational institutions, recreational and other similar organizations in order to increase the profile of the Association, strengthen our presence in local communities and to reduce risks associated with an over reliance on international visitation.
 - 4.4.2.2 Accumulate surplus funds in any fiscal year beyond what is required for operating and capital reserves.
 - 4.4.2.3 Operate the Association without adequate insurance coverage against theft and casualty, and against liability losses to Board, staff, volunteers, and the Association, and for which the terms are reasonable and affordable.
 - 4.4.2.4 Cause or allow the hostel properties to be maintained at a level that negatively impacts asset values and revenue generation.
 - 4.4.2.5 Operate the Association without processes and practices to optimize employee performance and volunteer utilization.
 - 4.4.2.6 Cause or allow the Association’s image, trademarks and other intangible assets to be jeopardized.
 - 4.4.2.7 Cause or allow Association funds to be invested contrary to the Association Investment Policy.
- 4.4.3 Use business management processes and technologies that are out-dated, ineffective, fail to produce reliable and timely information, or are unsuitable for the Association needs.
- 4.4.4 Cause or allow significant operational decisions that are unsupported by member, guest or market research, selected without considering alternative options, or that are not appropriately funded.
- 4.4.5 Cause or allow the employees of the Association to be unaware of applicable compliance responsibilities with respect to laws, regulations, contractual provisions, or similar requirements, and the Executive Limitation policies.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	February 02, 2020		

4.5. Treatment of People

The CEO shall not cause or allow staff, volunteers, members or guests to be treated in an unlawful, unethical or unfair manner, in ways inconsistent with known values of the Association's moral ownership, or in a manner that is inconsistent with Ends progress. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.5.1 Cause or allow any staff, volunteers, members or guests to be dealt with in a way that favours or privileges some over others, except when such actions are allowable under HR or customer service operational policies and not otherwise prohibited by the Executive Limitations.
- 4.5.2 Cause or allow human resource and customer service policies to be unlawful, imprudent, inadequate, unavailable to those affected, or ignored by those responsible.
- 4.5.3 Cause or allow members and guests to feel unwelcome or unsafe in an Association hostel except when their conduct is unlawful, unsafe, or contrary to Association hostel rules.
- 4.5.4 Cause or allow the Board and staff to be unaware of satisfaction ratings and feedback of staff, volunteers, members and guests.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	February 02, 2020		

4.6. Hostel Operations

The CEO shall not cause or allow hostel operations that are incompatible with the Ends, or involve unwarranted risks. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.6.1. Cause or allow the Association hostels to fail to meet acceptable, HI-Canada minimum standards.
- 4.6.2. Cause or allow Association hostel operations that unnecessarily limit the guests ability to experience the genuine hostelling experience described in the Ends.
- 4.6.3. Cause or allow management policies and practices in Association hostels to be outdated and/or inconsistent with health, safety and HI Canada standards.
- 4.6.4. Cause or allow an annual hostel maintenance plan to be developed that does not have as its basis a periodic review of hostel facilities, and periodic input from stakeholders.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	February 02, 2020		

4.7. Hostel Development

The CEO shall not cause or allow new hostels to be developed, existing hostels to be redeveloped or expanded, or hostels to be sold or closed, where those actions create unwarranted risk, or are inconsistent with the Ends. To be more explicit, but without limiting the overall scope of how the above statement is interpreted, the CEO shall not:

- 4.7.1. Initiate a hostel development or redevelopment without adequate funding in place, and research-based conservative performance projections that demonstrate future ongoing financial viability of the Association's hostel network and acceptable Ends progress.
- 4.7.2. Finalize architectural plans or begin construction without implementing a consultation and communication process to collect input and feedback, and to measure and grow stakeholder support and acceptance.
- 4.7.3. Approve a hostel architectural design that is incompatible with the genuine hostelling experience as described in the Ends.

Adopted	Monitored	Reviewed	Amended
October 22, 2017	February 02, 2020		