



SASKATCHEWAN OPPORTUNITIES CORPORATION
CORPORATE GOVERNANCE

MAY 2020

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1.0

BEST PRACTICES CORPORATE GOVERNANCE OVERVIEW

1.1 PRINCIPLE BASED GOVERNANCE¹

Principle based governance is an approach to corporate governance that has been ushered in across the world, characterized by:

- Britain's Cadbury Report², which defines governance as "the system by which organizations are directed and controlled" and calls on "boards of directors to take responsibility for the governance of their firms";
- Canada's Dey Report, which states "Where Were The Directors?", calling on boards to "explicitly assume responsibility for governance" including "leadership, stewardship, risk management and information"³; and
- The Sarbanes-Oxley Act and associated reforms (since 2002)⁴ and Canada's CSA Instruments⁵ which requires boards and three core committees (Audit, Governance, Compensation) to take direct responsibility for critical elements of oversight and control, including internal control over financial reporting, and compensation disclosures.

This new era is actually a return to the way corporations were originally governed and according to Agency theory ought to be governed.

1.2 AGENCY GOVERNANCE

For a time in the 20th century, governance levers swung away from governing bodies towards either management or owners. Either case resulted in a breakdown of accountability, as an optimal separation of powers fails to occur.

Agency theory was articulated in the 1700s by Adam Smith⁶. Essentially what he said is that the members of every social organization (from hunter gatherer tribes to corporations to nations) rapidly specialize into different groups, depending on their competencies and expertise:

- Principals (Cabinet and CIC Board) are people with a knack for accumulating capital (wealth, resources).
- Agents (CEO) are people with a surplus of ideas to effectively use that capital and get things done (i.e. create more value).

1 © 1991 - 2007 Brown Governance Inc.

2 *Report on the Financial Aspects of Corporate Governance*, "The Cadbury Committee", London 1992

3 *Corporate Governance Guidelines*, Toronto Stock Exchange, Toronto 1994

4 Sarbanes-Oxley Act is an amendment to the U.S. federal law (Criminal Code) passed by the U.S. Congress and signed by President Bush in July 2002. Its provisions have been adopted by the Securities and Exchange Commission (SEC), New York Stock Exchange (NYSE), NASDAQ and securities regulators worldwide.

5 Please see National Instruments issued by the Canadian Securities Administrators, for example, 51-102, 52-107 & 52-109 at <http://www.csa-acvm.ca>

6 *An Inquiry into the Wealth of Nations*, Adam Smith, Boston and Chicago 1776.

Organizations allocate resources to their most effective uses. Principals have a purpose in mind for their resources. The “agency problem” is that agents can have ideas to use capital that lie outside the intent of the principals and agents always have better access to information than the principals. This can apply to a single (financial) or triple (economic, social, environmental) bottom line.

Agency governance exists to address this problem. Governors (Board) act as an intermediary, as the principals' (Cabinet and CIC Board) representative (steward, trustee, fiduciary) with the agents, ensuring capital is directed to the right purpose.

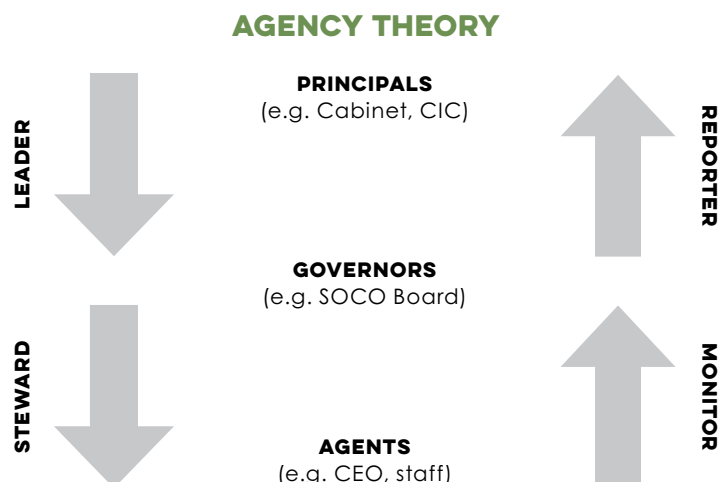
The governors also act as the voice of the agents (CEO and staff) to the principals, articulating their ideas for uses of capital and making an accounting of the use of capital back to the principals.

If we use the illustration of an organization being a ship:

- the principals are the ones who cause the ship to be built, who pay for it, and who have in mind an initial destination or mission (i.e. Cabinet and CIC Board);
- the governors are the rudder of the ship, setting its direction, and using “controls” (diagnostic measures and course changes) to ensure that direction (i.e. its Board); and
- the agents are responsible for every other duty on the ship: from the bridge to the boiler room, the lookouts, decks, holds, etc. – the operations and activities throughout the organization (i.e., the President and CEO, and staff).

The governors (Board) therefore have a limited number of core responsibilities, which comprise “governance”:

LEADERSHIP	set the strategic direction of the organization (vision, mission) and put in place the leadership (CEO selection, board renewal) to accomplish that direction.
STEWARDSHIP	shepherd resources belonging to others (trustee, fiduciary), i.e. risk management, allocation of duties / roles / responsibilities, delineation of authority.
MONITORING	receive and review measures of performance, and hold management (CEO) accountable for success (achieving the purpose, creating “value”).
REPORTING	account to the principals (owners, investors, stakeholders) on the results of using their capital (resources, labour, etc.).



In parallel, Principals (CIC Board, Saskatchewan Government) have three core responsibilities in agency governance:

1. Select and put in place (elect; appoint) the governors (board of directors, trustees).
2. Select and put in place (elect; appoint) the auditors (external, independent body that tests and reports on the integrity of financial reporting and controls).
3. Ensure there is an effective governance system in place.

1.3 THE PRINCIPLES OF EFFECTIVE GOVERNANCE

In our increasingly complex world, good governance comes down to six basic principles and those that follow these can expect to reap a number of benefits. In fact, social and corporate organizations that adopt these principles have been shown empirically to have a competitive advantage, both nationally and internationally.

1.3.1 THE PRINCIPLE OF LEADERSHIP

The board empowers the CEO to lead the corporation and the board counts on the CEO to use delegated authority wisely, which is cascaded throughout the corporation. Empowerment is meant to enable everyone to reach their potential.

1.3.2 THE PRINCIPLE OF STEWARDSHIP

The board has been entrusted with the direction of the corporation. This means exercising stewardship over all its resources in the most effective and preservative way.

1.3.3 THE PRINCIPLE OF MONITORING

The board is ultimately responsible for the corporation achieving measurable and significant results; so must be able to assess results and make course corrections when necessary.

1.3.4 THE PRINCIPLE OF REPORTING

The board encourages open, honest two-way communications at the top of the corporation; ensuring unashamed transparency so that those outside the corporation can clearly see what is really going on inside.

1.3.5 THE PRINCIPLE OF CITIZENSHIP

The board is a servant, serving each other, the corporation, shareholders, other stakeholders, society, and even the CEO, both equitably and ethically.

1.3.6 THE PRINCIPLE OF INNOVATION

The board is continually learning and maturing; encouraging a culture of innovation and change throughout the corporation.

Based on this general framework, the Crown Investments Corporation of Saskatchewan, as the shareholder representative, has created a governance framework to ensure the consistent treatment of Saskatchewan Crown corporations, within the context of the laws and regulations enacted by the Federal and Saskatchewan governments to govern the operations of corporations generally, and of Crown corporations like SOCO more specifically.

1.4 LEGAL FRAMEWORK FOR THE ACT, BYLAWS, POLICIES AND PROCEDURES

Board policies fit into a hierarchy of governing legal documents in a corporation (and this is how this SOCO Board manual has been organized):

HIERARCHY OF DOCUMENTS

STATUTES

approved by government

BYLAWS (CIC POLICIES)

approved by Board and Shareholders

BOARD POLICIES

approved by Board and Board Committees

MANAGEMENT POLICIES

approved by CEO / Executive Committee

- **STATUTE LEVEL:** An incorporating Act is put in place when a corporation is first incorporated and only rarely amended, for example if there is a substantive change in control, name or mandate. In SOCO's case it is the *Saskatchewan Opportunities Corporation Act*.
- **BYLAW LEVEL:** Bylaws⁷ are generally the "hard and fast" rules of the corporation, and typically require CIC Board or Government approval to change; for example how the board is constituted, remunerated and can exercise their powers (meetings, voting, etc.). In SOCO's case these are set by CIC Policy.
- **BOARD POLICIES:** These deal with the important aspects of a corporation's strategic issues, and typically require board approval to change. These can include capital expenditure approvals, budget approvals or compensation policies.
- **MANAGEMENT POLICIES (OR PROCEDURES):** These deal with the day to day running of the corporation's operations and typically require management approval to change. These can include cheque signing, bank reconciliations, HR policies such as hiring, grievance procedures and leaves.

Two governance principles are particularly helpful in deciding what belongs in which of these:

- **THE PRINCIPLE OF LEADERSHIP:** means that we push decision making as far down into an organization as we can. As much as possible, we put things in procedures, unless the board **MUST** be involved, then we put these in policies, unless the shareholder(s) **MUST** be involved, then we put these in bylaws. Often our tendency is to enshrine things in bylaws and policies, but we need to resist this urge, since it restricts flexibility and therefore the ability of management to manage the organization in a climate of continuous change.
- **THE PRINCIPLE OF STEWARDSHIP:** means that each set of documents must be consistent with and flow from the documents above it in the hierarchy. Bylaws must follow, and give effect to, Statute and incorporation documents. Policies must follow, and give effect to, bylaws. Procedures must follow, and give effect to, policies. From time to time, for the sake of clarity, we may have some duplication / overlap between documents, but we should avoid this as much as possible, since it creates the potential for conflicts if we later change one and not the other. For example, the bylaws may cite the powers and duties of directors, even though these are in Statute, simply to be clear as many directors don't know the law. And policies might restate the names and composition of core Board Committees and Officers that are already in bylaws, for the sake of completeness in explaining committee mandates and functioning.

⁷ The *Saskatchewan Opportunities Corporation Act* does not allow for the creation of SOCO-specific bylaws. Instead, *The Crown Corporations Act*, 1993 gives equivalent powers to CIC which sets the strategic policies common to all Saskatchewan Crown corporations.

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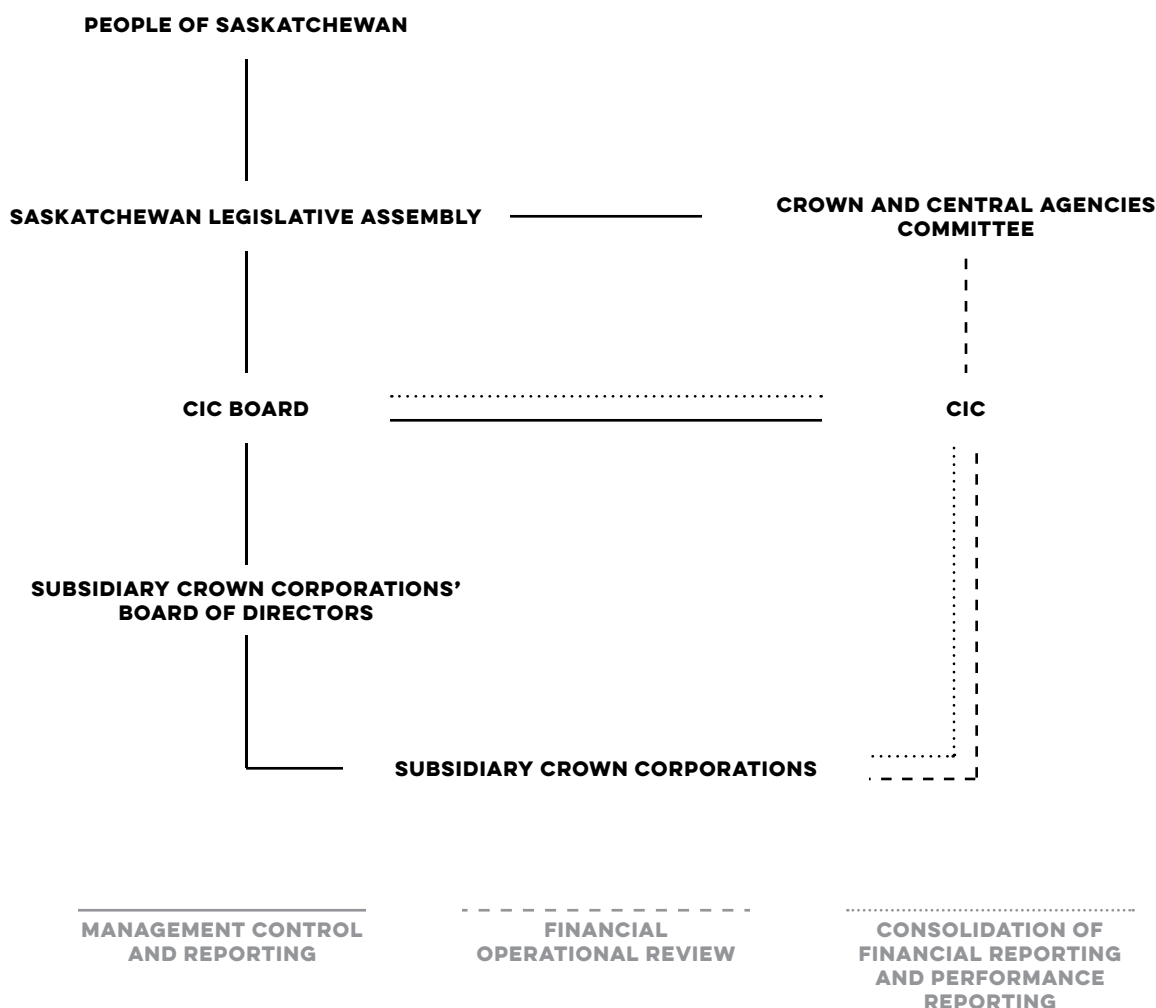
SASKATCHEWAN CROWN SECTOR CORPORATE GOVERNANCE FRAMEWORK

The Crown Corporations Act, 1993, empowers the Crown Investments Corporation of Saskatchewan (CIC) and its board to provide strategic direction, monitor and evaluate the performance of subsidiary Crown corporations.

This has the effect of superimposing the CIC board (and CIC) as the owner representative and therefore the final approval authorities on matters covered by *The Crown Corporations Act, 1993*.

A representation of this accountability structure is reproduced in the following graphic:

ACCOUNTABILITY STRUCTURE



CIC has developed a suite of policies intended to help it clarify and communicate important aspects of business performance expectations. CIC's policies are designed to provide guidance to Crown sector managers (including Boards) engaged in overseeing Crown corporation business planning, business development and operations.

SOCO Board members need to ensure that Board decisions and processes comply fully with CIC expectations. Refer to the Resource Centre in Diligent Boardbooks for a list of CIC policies.

As administrator of the policy manual, CIC will from time to time, revise or delete existing policies and introduce new policies approved by the CIC Board and Cabinet. It is the responsibility of the SOCO Board, and specifically of its Audit and Finance Committee to regularly refer to the current versions of CIC policies.

In addition, there are requirements for SOCO to respond to periodic financial and operational requests by CIC and Central agencies:

Saskatchewan Finance (provided directly to Saskatchewan Finance)

- Monthly line of credit forecasts
- Annual consolidation schedules

Saskatchewan Finance (provided through CIC)

- Semi-annual six year economic forecast
- Quarterly five year debt forecasts
- Net income forecasts (summary financial information)
- Medium term outlook

Crown Investments Corporation

- Annual report management's discussion and analysis
- Annual report of payments
- Annual capital, goods and services report
- Semi-annual legal fees report
- Quarterly performance management reports
- Quarterly consolidation schedules
- Quarterly report of losses
- Quarterly external report

As a Saskatchewan corporate entity, SOCO is able to enter into business arrangements, contracts and other agreements provided:

- SOCO, as a corporation complies with other acts and regulations governing all corporations operating in Saskatchewan, including Saskatchewan Crowns.
- SOCO staff attend Crown and Central Agencies Committee, as requested, to assist the Minister in answering questions from the Official Opposition. Typical questions relate to SOCO's Annual Report, Report of Payments or the Provincial Auditor's Report.
- SOCO management also complies with a number of financial and operational reviews managed by CIC on its own behalf, or on behalf of various ministers.

Although the majority of these activities and reports are a clear management responsibility (and consequently most are not routinely shared with the Board), they represent a source of additional information for the Board and may require periodic oversight to ensure proper adherence to the multiple legal and regulatory requirements of SOCO. They may also help identify possible policy changes being contemplated by CIC that might affect SOCO and its operations in the future.

3.0

GOVERNANCE POLICY (GUIDELINES FOR DIRECTORS)

3.1 PURPOSE

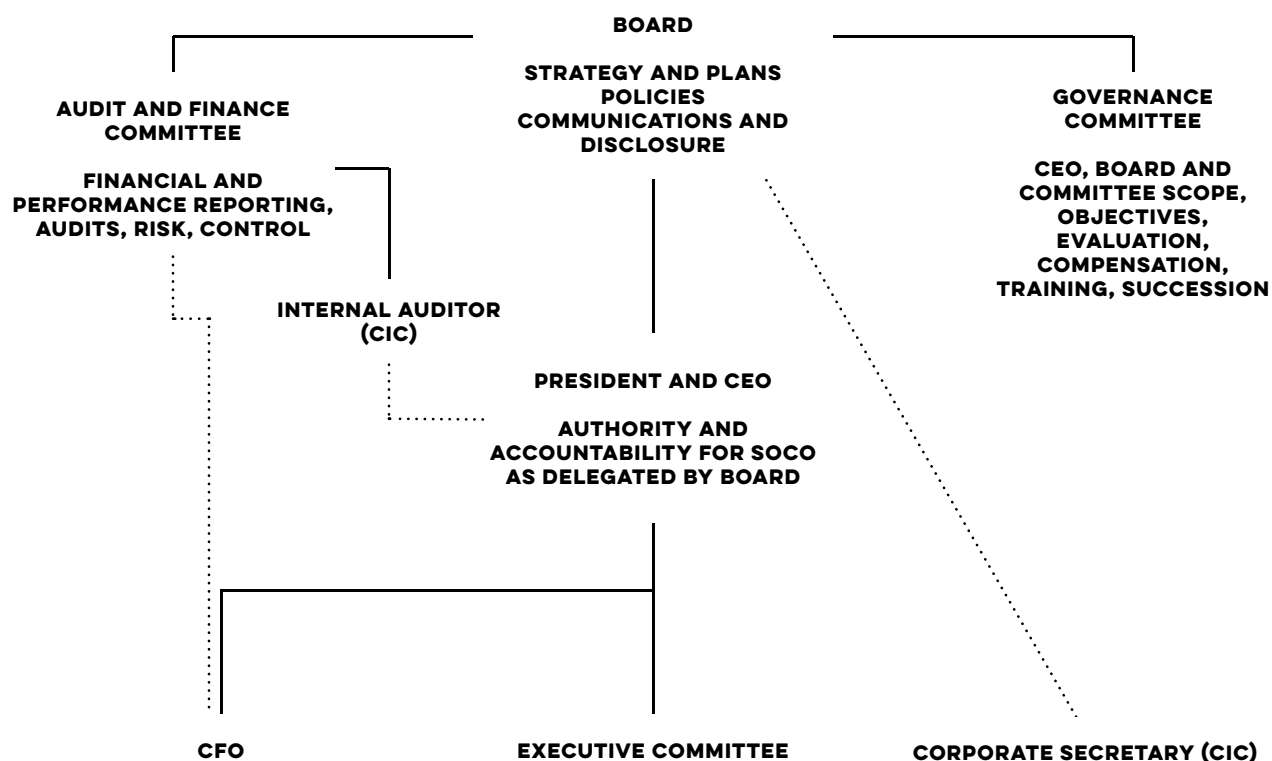
This Governance Policy describes SOCO's corporate governance at a high level and is intended to be used as a tool for guidance for board members in particular.

Since SOCO bylaws, are CIC's Policies, this Governance Policy also serves part of this purpose, too (for example, glossary of terms, resignation of directors).

This policy compliments the other Board level policies in this Manual, providing both an umbrella framework over them and additional policies which do not readily fit elsewhere.

Here is how the main components of SOCO's corporate governance system fit together:

SOCO CORPORATE GOVERNANCE CHART



3.2 GUIDELINES FOR BOARD MEMBERS

- The Board expects of itself and its Board members ethical and business like conduct. This includes proper use of authority and appropriate decorum when acting as Board members. It expects its Board members to treat one another and staff with respect, cooperation and a willingness to deal openly on all matters.
- Board members shall be loyal to the SOCO Board and are required to exercise the powers, as well as discharge the duties of their office honestly, in good faith and in the best interests of SOCO.
- Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- Board members shall be familiar with *The Saskatchewan Opportunities Corporation Act*, CIC Subsidiary Crown Policies and associated regulations governing Saskatchewan Crown corporations, SOCO Board policies, and organizational structure of SOCO, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable and expeditious fashion.
- Board members shall participate in committees of the board whenever possible, as requested by the chair, and upon request, assist the chair in the performance of the chair's duties.
- Board members shall perform other duties and functions as may be assigned by resolution of the board.
- Board members shall attend meetings on a regular and punctual basis. Absence of a Board member from more than two consecutive regular meetings without notice or explanation shall be cause for a review of appointment.
- Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement. Board members shall regularly take part in educational activities which will assist them in carrying out their responsibilities.
- Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - Board members' interaction with the chief executive officer or with staff must recognize that any individual member or group of members does not have authority other than that explicitly stated in the Board policy.
 - Board members' interaction with the public, press or other entities must recognize the same limitation and the similar inability of any member(s) to speak for the Board.
 - Board members will make no judgments of the chief executive officer or staff performance except as that performance is assessed explicitly by the formal process.
- Board members shall not encourage direct communication with employees who attempt to bypass administration but shall encourage employees to utilize reporting lines within the administration to bring their concerns to the Board – an exception to this policy is if an employee is aware of financial malfeasance or similar misconduct by a member of senior management, in which case the employee is encouraged to report this to the Board, preferably through the Chairperson, and this employee, acting in good faith, will be protected from retribution (see Public Interest Disclosure Policy).
- The Board shall be responsible for making policy decisions and ensuring through the CEO that appropriate staff, structures and processes are in place to carry out the policy and day to day tasks of SOCO.

- Books and Records - The Board of Directors shall see that all necessary books and records of SOCO required by the CIC Board or by the Act or by any other applicable law are regularly and properly kept.
- Execution of Official Documents - Contracts, documents or any comments in writing requiring the signature of SOCO, other than pursuant to the delegation of financial authorities, shall be signed by the President and CEO and any one officer without the necessity of any further authority or formality from the Board of Directors. If the President and CEO is absent or incapacitated or the office of the President and CEO is vacant and SOCO has not designated a replacement, the chairperson of the board shall sign any transfer, assignment, contract, certificates, permit, approval, order, direction or other instrument authorized to be issued or made.
- Board members shall disclose any conflict of interest. Any Board member having an occasional conflict of interest shall declare the details of that conflict before discussion of the question and absent him / herself from the portion of the meeting during which discussion or voting affected by that conflict takes place.
- Board members shall not engage in nepotism.
- Board members shall not divulge confidential matters brought before the Board, keeping in mind that any unauthorized statement could adversely affect the interests of SOCO, its staff or tenants.
- Board members will enforce whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles and ensuring the continuity of governance capability.
- A Director ceases to be a member of the Board of Directors:
 - if a Member dies or resigns in writing; or,
 - if the Member's appointment is terminated by the Lieutenant Governor in Council before the expiry of the Member's term.
- A Director should submit his / her resignation as a Member of the Board of Directors:
 - if a Director for whatever reason is in a permanent conflict of interest;
 - if a Director is found by a court to be of unsound mind, or guilty of a criminal offence;
 - if a Director has the status of an undischarged bankrupt or enters in to an arrangement to suspend, compromise or compound payments with creditors; or,
 - if a Director is elected or appointed to a public office or becomes an employee of SOCO.

3.3 GUIDELINES FOR BOARD COMMITTEES

This policy applies to Committees and Advisory Panels which are formed by Board action, whether the committees include non-Board members; it does not apply to committees formed under the authority of the CEO.

- Board committees are to assist the Board, not to advise staff or the management of SOCO. Committees will normally assist the Board by preparing policy alternatives and implications for Board deliberation.
- Board committees may not speak or act for the Board except when formally given such authority for specific and / or time limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

- Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board Committee before an executive action, except where the committee has been delegated specific authority to act on behalf of the Board.
- All committee members shall abide by the same Code of Conduct as governs the Board.
- Except as specifically defined in written resolutions or terms of reference (for example, where the services of external advisors have been approved), no Committee has authority to commit the funds or resources of SOCO.

3.4 GLOSSARY

1. "Act" means Saskatchewan Opportunities Corporation Act (S32-11), as amended from time to time.
2. "Advisory Panel" means a committee of members and non-members, established by resolution of the Board of Directors.
3. "Board" means the Board of Directors mentioned in section 11 of the Act;
4. "Board Member" means individuals appointed by Lieutenant Governor in Council to the Board of Directors of SOCO.
5. "Board Work Plan" means a plan tabled by the Chair, approved by the Board of Directors, if possible before the beginning of the fiscal year and incorporating in respect to that fiscal year the following elements.
 - A schedule of regular meetings of the Board,
 - A timetable for the completion of the Board's responsibilities, including the annual corporate planning cycle and annual reporting cycle.
6. "Capital construction project" includes:
 - the acquisition of real and personal property;
 - the construction, renovation, enlargement, repair or alteration of a building or other structure;
 - the moving of a building or other structure onto land; and
 - the destruction of a building or other structure.
7. "Chair" means the person appointed by the Lieutenant Governor in Council under the Act to preside at meetings of the Board of Directors and perform the duties assigned under Chair's Terms of Reference.
8. "Committee Chair" means the person appointed by the Board of Directors to chair a committee and perform the duties assigned under Committee Chair's Terms of Reference.
9. "Committee" means a committee of the Board of Directors constituted by resolution of the Board under section 12, in accordance with the Board's Terms of Reference.
10. "Corporation" means the Saskatchewan Opportunities Corporation established pursuant to section 3 of the Act.
11. "Crown" means the Crown in right of Saskatchewan.
12. "Directors" means, the Chair, Vice Chair and Directors of the Board, as appointed by the Lieutenant Governor in Council under section 11 of the Act.
13. "Fiscal Year": the financial year of SOCO shall end on the 31st day of March.

14. "Head Office": the head office of SOCO shall be at the place in Saskatchewan designated by the Lieutenant Governor in Council.
15. "Lieutenant Governor in Council" for practical purposes means the Executive Council or Cabinet.
16. "President & CEO" means the President and Chief Executive Officer of SOCO appointed by the Lieutenant Governor in Council under the Act.
17. "Minister" means the member of the Executive Council or Cabinet to whom (for the time being) the administration of the Act is assigned.
18. "Secretary" means the Corporate Secretary of SOCO who provides secretariat services to the Board.
19. "SOCO" means the Saskatchewan Opportunities Corporation established by the Act.

4.0

RESPONSIBILITY, ACCOUNTABILITY AND AUTHORITY MATRIX

4.1 DEFINITIONS

The Governance Responsibility Mandates use of these terms to designate specific iterations in the information / decision making process at all levels:

IDENTITY	Providing input, advice and suggestions to others as part of a decision making process. For example, identify candidates for a recruitment process.
PREPARE	The process of preparing a document or leading a function. For example, a functional manager who drafts a project proposal and budget.
DIRECT	Requiring that action, decisions or recommendations are consistent with specific guidelines and / or authority limits and / or policy limits to ensure a common approach. For example, CIC setting annual compensation ranges and annual increase limits.
REVIEW	The process of checking someone else's work to give input, advice and suggestions for improvement and passing it along to someone else for a decision. For example, a cross-functional team that must conduct due diligence on a project approval for implications to other areas.
RECOMMEND	The process of both reviewing [above] and formally signing off on a document or function to indicate concurrence, and passing this along to someone else for a decision (approval). For example, a functional executive that must agree with a project proposal in his / her area before it goes forward.
APPROVE	<p>The process of both reviewing [above] and formally signing off on a document or function to indicate that a decision has been made to proceed. For example, an executive team that is responsible for making project proposal and budget decisions.</p> <p>Note: Approval may require further approval at more senior governance levels (i.e. CIC or Cabinet).</p>
MONITOR	To be aware of content and strategic implication of actions and the process of checking that decisions and recommendations are being carried out effectively after a decision. For example, a committee must conduct due diligence on a policy decision requiring a procedural change.

LEGEND

AFC	Audit and Finance Committee
CC	Capital Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIC	Crown Investments Corporation of Saskatchewan
D/A	Delegation of Authority
EA	Executive Assistant
EC	Executive Committee
HR	Human Resources Department
HRGC	Human Resources and Governance Committee
IA	Internal Audit
VPCOO	Vice President and Chief Operating Officer
VPCSI	Vice President, Corporate Services and Initiatives
AD HOC	Ad Hoc Committee of the Board (as required)

4.2 LEADERSHIP

4.2.1 STRATEGIC PLANNING

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
1. Mission / Mandate			Prepare (AD HOC)	Review and Recommend	Review and Recommend (Approved by Cabinet)
2. Vision and Values		Prepare and Recommend (EC)	Review (AD HOC)	Approve	
3. Strategic plan: horizon goals		Prepare and Recommend (EC)		Approve	Review
4. Business development strategies: how to reach goals (e.g. marketing strategy)	Prepare	Prepare and Approve (EC)		Monitor	
5. Performance Management Plan, including commercial and financial objectives	Prepare	Review and Recommend (EC)		Approve and Recommend	Approve
a. Capital budget	Prepare (CC)	Review and Recommend (EC)	Review and Recommend (AFC)	Approve and Recommend	Approve
b. Operating budget	Prepare (CFO)	Review and Recommend (EC)	Review and Recommend (AFC)	Approve and Recommend	Approve

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
6. Accountability: establish SOCO's corporate objectives and performance indicators (in Performance Management Plan)	Prepare	Review and Recommend (EC)	Review and Recommend (AFC, HRGC)	Approve and Recommend	Direct and Approve
7. Dividend policy and revenue retention strategies (retained earnings, cash reserves)	Prepare (CFO)	Review and Recommend (EC)		Recommend	Direct and Approve
8. Strategic investment in tenants	Prepare (VPCOO)	Approve (EC) (D/A \$ limits)		Approve (D/A \$250,000 limit each, \$500,000 aggregate)	Policy: Approve
9. Investments policy for surplus cash	Prepare (CFO)	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	Direct
10. Pricing strategy for rental rates	Prepare (D/A \$ limits)	Approve (CEO)			
11. Marketing Plan (annual)	Approve (VPCOO)	Monitor (CEO)			

4.2.2 SUCCESSION PLANNING AND MANAGEMENT

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
12. Appointment of CEO				Recommend	Approve (Review by Cabinet)
13. Appointment or exit of CFO	Assist (HR)	Identify and Approve (CEO)	Review (AFC)		
14. Appointment of Corporate Secretary					Identify and Approve
15. Appointment of Executive Members (VPs and EDs)	Assist (HR)	Identify and Approve (CEO)	Review (HRGC)		
16. Appointment of Corporate Officers		Identify (CEO)	Review and Recommend (AFC)	Approve	
17. Organizational design: org chart, structure and approval of positions	Prepare (HR)	Approve			
18. Succession and retention plan for Management	Prepare (VPCSI)	Approve (EC)	Review and Recommend (HRGC)	Approve	
19. Board orientation and training: Crown sector					Prepare and Approve

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
20. Board orientation and training: SOCO and business	Identify (VPCSI)	Prepare (EC)	Review and Recommend (HRGC)	Prepare (Chair)	
21. CEO training and development	Assist (HR)	Recommend (CEO)	Review and Recommend (HRGC)	Approve	Direct
22. Management training and development	Prepare and Approve	Monitor (EC)			

4.2.3 BOARD AND COMMITTEES

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
23. Board Committees: set standards for effective composition and functioning		Recommend		Approve	Direct (minimums)
24. Profiling the Board (Skills profile)			Review and Recommend (HRGC)	Review and Approve	Review (prepared by Corp. Sec.)
25. Board Appointments (members)				Review	Recommend (Approved by Cabinet)
26. Selection of:					
a. Board Chair					Identify and Recommend (Approved by Cabinet)
b. Vice Chair		Identify (CEO)	Identify (HRGC)	Identify	Recommend (Approved by Cabinet)
27. Selection of Committee Chairs				Identify (Chair) and Approve (Board)	
28. Selection of Committee Members				Identify (Chair) and Approve (Board)	
29. Appointment to Management Advisory Committees	Identify and Recommend (VPCOO)	Identify and Approve (CEO)			

4.2.4 ORGANIZATIONAL MANDATE

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
30. Legislation: Act	Identify	Review and Recommend (EC)	Monitor (HRGC)	Recommend	Recommend (Approved by Cabinet)
31. Relationship between SOCO, CIC and Minister			Monitor (HRGC)	Assist (Chair)	
32. Bylaws: CIC Policies	Identify				Prepare and Approve
33. Board policies		Prepare and Recommend (EC)	Review and Recommend (HRGC)	Approve	Monitor
34. Management policies	Prepare, Review and Recommend	Approve (EC)			
35. Management Policies on sensitive matters (e.g. vacation payout policy)	Prepare (HR)	Review and Recommend (EC)	Review and Recommend (HRGC)	Approve	

4.2.5 ORGANIZATIONAL CULTURE

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
36. Corporate Code of Conduct	Prepare, Review and Recommend	Approve (EC)	Monitor (AFC, HRGC)	Review	Direct (Director, Code of Conduct)
37. Conflicts of interest	Prepare, Review and Recommend	Approve (EC)	Monitor (AFC, HRGC)	Review	Direct
38. Public Interest Disclosure policy	Prepare, Review and Recommend	Approve (EC)	Monitor (AFC, HRGC)	Review	Direct (Director, Code of Conduct)
39. Social / Community responsibility	Prepare, Review and Recommend	Approve (EC)	Monitor (HRGC)	Review	

4.3 STEWARDSHIP

4.3.1 RISK MANAGEMENT

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
40. Corporate risk management policies	Prepare (CFO)	Review and Recommend (EC)	Review and Recommend; Monitor (AFC)	Approve	
a. Strategic risks identification	Identify and Prepare (CFO)	Monitor (EC)	Monitor (AFC)	Approve	
b. Determination of SOCO risk tolerance	Assist	Prepare (EC)	Monitor (AFC)	Approve	Direct and Monitor
c. Risk Management strategies to quantify and manage (control, eliminate, transfer, accept) and prioritize risks	Identify and Prepare (CFO)	Identify and Approve (EC)	Monitor (AFC)	Monitor	
d. Review variances: compliance and management of risks	Prepare (CFO)	Approve (EC)	Monitor (AFC)	Monitor	
41. Scope of insurance policy coverage limits	Prepare and Recommend (CFO)	Approve (EC)	Monitor (AFC)		
42. Policies for the safeguarding of assets, resources and investments including asset maintenance and integrity policies / programs (e.g. security, data integrity and business continuity)	Prepare (Fixed assets: VPCOO & other CFO); Review	Approve (EC)	Monitor (AFC)		
43. Quality Management	Prepare	Approve (EC)			
44. Internal Controls system: establish and maintain	Prepare and Monitor (CFO)		Monitor (IA, AFC)	Monitor	Direct
45. Regulatory and Legal Compliance	Prepare and Monitor (CFO)	Review (EC)	Monitor (IA, AFC)	Monitor	Direct
46. Validate effectiveness of internal controls and information received	Prepare (CFO)	Monitor (CEO)	Monitor (AFC)	Monitor	
47. CEO and CFO certifications	Prepare and Approve (CFO)	Approve (CEO)	Monitor (AFC)	Monitor	Direct

4.3.2 DELEGATION OF AUTHORITY

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
48. Allocation of roles, responsibilities, duties of staff, except CEO	Prepare	Approve			
49. CEO Terms of Reference: Delegation of approval and reporting authority	Prepare	Review and Recommend (EC)	Monitor (AFC)	Approve	
50. Scope of Board Committee roles	Identify		Prepare (HRGC)	Approve	Direct (AFC, HRGC)
51. Scope and role of Board Committee Chairs	Identify		Prepare (HRGC)	Approve	

4.3.3 POLICY DEVELOPMENT

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
52. Accounting policies: GAAP, estimates, revenue, recognition policies	Prepare (CFO)	Review and Approve (EC)	Review and Monitor (AFC)	Monitor	

4.3.4 INTERNAL RESOURCES POLICIES - PEOPLE PLAN

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
53. Compensation					
a. Executive salary ranges	Prepare (HR)	Review and Recommend (EC)	Review and Recommend (HRGC)	Review and Recommend	Approve
b. Alternative forms of compensation	Prepare (HR)	Review and Recommend (EC)	Review and Recommend (HRGC)	Review and Recommend	Approve
c. Employee salary ranges and overall annual percentage increase (Economic Adjustment and merit)	Prepare (HR)	Review and Recommend (EC)	Review and Recommend (HRGC)	Review and Approve	Direct (limits)
d. Employees (other compensation)	Prepare (HR)	Approve (EC)			
e. Executive (VPs and EDs) salary holdbacks	Prepare (HR)	Review and Recommend (CEO)	Review and Recommend (HRGC)	Review and Recommend	Approve
f. Executives (VPs and EDs) other compensation	Prepare (HR)	Approve (CEO)	Review and Recommend (HRGC)	Approve	Direct (ranges)
g. CEO salary	Prepare (HR)		Prepare and Recommend (HRGC)	Review and Recommend	Approve
h. Board of Directors (per diems and retainers)					Prepare and Approve

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
54. Compensation plan periodic review and benchmarking: employees	Prepare (HR)	Approve (EC)			
55. Compensation plan periodic review and benchmarking: executives	Prepare	Identify (EC)			Prepare (ranges and limits)
56. CEO expenses		Prepare		Approve (Board Chair)	
57. Expense policy: executives and out of province travel	Prepare (HR); Review and Recommend	Approve (EC); Approve out of province (CEO)	Monitor (AFC)		Direct
58. Board members' expenses and policy (per report of payments)	Approve and Prepare (CFO)		Review (HRGC)	Monitor	Direct; Review (Corp. Sec.)
59. Benefits policies: executives	Prepare (HR)	Review and Recommend (EC)		Approve	Direct (e.g. target)
60. Benefits policies: employees	Prepare (HR)	Approve (EC)			Direct (e.g. target)
61. HR policies (e.g. leaves and non-cash remuneration programs)	Prepare (HR)	Review and Approve (EC)		Monitor	

4.3.5 EXTERNAL RESOURCES POLICIES - PROCUREMENT, CONTRACTING, SPONSORSHIP

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
62. Design expenditures for new buildings and significant additions to existing buildings	Prepare and Recommend (CC)	Approve (if \$200,000 or under)	Monitor (AFC)	Approve (if over \$200,000)	
63. Engage a vendor on new capital projects	Prepare and Recommend: (as per D/A); Approve (as per D/A up to \$750,000) (CC)	Approve (over \$750,000) (CEO)	Monitor (AFC)		
Capital project approval	Prepare and Recommend: (as per D/A); Approve (as per D/A up to \$500,000) (CC)	Review and Recommend: (if over \$2M); Approve (up to \$2M) (CEO)	Monitor (AFC)	Review and Recommend: (if over \$5M); Approve (greater than \$2M up to \$5M)	Review and Recommend (if over \$5M) (Approved by Cabinet)

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
Capital allocation	Within Total Allocation: \$250,000 or less (CC Chair)	Within Total Allocation: over \$250,000 (EC)	Total Allocation: Review and Recommend within Total Allocation: Monitor (AFC)	Total Allocation: Review and Recommend	Total Allocation: Review and Recommend (Approved by Cabinet)
64. Capital project budget increases (e.g. cost overruns); Cannot go over original delegations set out in #63	Prepare and Recommend (as per D/A); Approve (as per D/A up to \$250,000)	Review and Recommend (if over \$500,000); Approve (up to \$500,000) (CEO)	Monitor (AFC)	Approve (if over \$500,000)	Review and Recommend (if over \$500,000) (Approved by Cabinet)
65. Management of capital projects (e.g. progress payments, change orders, administration, etc.)	Prepare and Recommend (as per D/A); Approve (as per D/A)	Approve (CEO)			
66. Management of building operations, administrative expenditure and credit notes	Prepare and Recommend (as per D/A); Approve (as per D/A)	Approve (CEO)	Monitor (AFC)		
67. Employee expense claims	Prepare and Recommend (as per D/A); Approve (as per D/A)	Approve VPs (CEO)		Approve for CEO (Board Chair)	
68. Execution of legal documents	Prepare and Recommend (as per D/A); Approve (as per D/A)	Approve (EC)			
69. Legal actions: per event	Prepare and Report	Review and Recommend (if over \$500,000) (EC); Approve (up to \$500,000) (CEO)	Monitor (AFC Chair)	Approve (if over \$500,000)	
70. Write-offs	Prepare and Recommend (as per D/A); Approve (as per D/A up to \$100,000)	Review and Recommend (if over \$250,000) (EC); Approve (up to \$250,000) (CEO)		Approve (if over \$250,000)	

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
71. Strategic investments (e.g. in tenant companies in lieu of rent)	Prepare and Recommend (as per D/A); Approve (as per D/A up to \$50,000)	Review and Recommend (if over \$250,000) (EC); Approve (up to \$250,000) (CEO)	Monitor (AFC)	Approve (if over \$250,000)	
72. New debt	Prepare	Approve (up to \$1M) (CEO or CFO); Approve (if over \$2M) (CEO)	Monitor (AFC)		
73. Sponsorship	Prepare	Approve	Monitor (AFC)	Approve (if over \$10,000 cash)	Approve (if multi year)
74. Building name policy	Prepare and Recommend	Review and Recommend		Approve	Minister Approves

4.4 MONITORING

4.4.1 CORPORATE PERFORMANCE MANAGEMENT

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
75. Achieving the corporate purposes (performance results): obtain benchmarked info against targets and peers	Prepare	Review (EC)		Approve	Monitor
76. Balanced Scorecard: corporate performance results	Prepare	Review (EC)		Approve	Approve
a. Public Purpose	Prepare	Review (EC)		Approve	Approve
b. Stakeholders	Prepare	Review (EC)		Approve	Approve
c. Financial	Prepare	Review (EC)		Approve	Approve
d. Innovation	Prepare	Review (EC)		Approve	Approve
77. Board Evaluation and Governance structure performance results			Review and Recommend (HRGC)	Review and Approve	Review (prepared by Corp. Sec.)
78. Corporate HR performance management program	Prepare	Approve (EC)			

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
79. Assessment of CEO performance		Prepare (CEO)	Prepare (HRGC)	Approve	Monitor (if within guidelines)
80. CEO annual objectives		Prepare	Review and Recommend (HRGC)	Approve	
81. Assessment of Executive performance	Prepare and Approve (for some EDs)	Prepare and Approve (CEO)			
82. Executive annual objectives	Prepare and Approve (for some EDs)	Prepare and Approve (CEO)			
83. Assessment of employees performance	Prepare	Approve (EC)			

4.4.2 AUDIT REVIEW AND PROCESSES

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
84. Setting role / function for internal audit	Identify (IA)		Review and Recommend (AFC)	Approve	Direct
85. Internal audit plans, reports and items to be resolved	Identify (IA)		Direct, Review and Recommend (AFC)	Approve	Direct
86. Assess internal audit performance	Identify (IA)		Review and Recommend (AFC)	Approve	
87. Selection of auditor and setting scope of external audit	Prepare (CFO)		Review and Recommend (AFC)	Review and Recommend	Approve
88. External audit plans: management issues and develop review plans	Identify (CFO)		Review and Recommend (AFC)	Approve and Monitor	

4.5 REPORTING

4.5.1 STRUCTURED COMMUNICATIONS

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
89. External communication of results of corporate performance, including:	Prepare	Review and Recommend (EC)		Approve	
a. Annual Report and MD&A	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
b. Quarterly performance management reports: financials, forecast, BSC	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	Monitor
c. Monthly financial statements	Prepare and Monitor	Monitor (EC)			
d. MD&A per the quarterly external report	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	Monitor
e. Balanced Scorecard: quarterly and annually	Prepare	Review and Recommend (EC)		Approve	Monitor
f. Projections (e.g. cash flow, debt, finance)	Prepare (CFO)	Monitor (EC)	Monitor (AFC)		Monitor
g. Reports to Shareholder: quarterly Report on Losses	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	Monitor
h. Advisory services reporting	Prepare	Review and Approve (EC)			
i. Boffins reporting	Prepare	Monitor (EC)			
j. Construction project reporting	Prepare	Approve (CEO)	Monitor (AFC)	Monitor	
k. Website postings	Prepare and Approve (various)	Approve (various)			
l. Internal audit reports: not published externally	Review (CFO)	Monitor (EC)	Monitor (AFC)	Monitor	Monitor
m. External audit reports	Review (CFO)	Monitor (EC)	Monitor (AFC)	Review	
n. Any other public disclosure	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	
o. Annual Financial Statements	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	
p. Annual Report of Payments	Prepare	Review and Recommend (EC)	Review and Recommend (AFC)	Approve	

4.5.2 CORPORATE COMMUNICATION

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
90. Corporate communication strategies: including extent of disclosure (e.g. crisis and event communications, media requests)	Prepare (President's Office)	Approve (EC)			
91. Communications protocol	Prepare (President's Office)	Approve (EC)			
92. Board communications	Prepare (President's Office)	Review (CEO)		Prepare (Chair) (e.g. Board matters)	
93. Employee dialogue and communication on strategy and direction	Prepare (EC)	Prepare and Approve (CEO); (selected matters)			
94. Press releases	Prepare (President's Office)	Approve (EC)		Monitor	
95. Determination of role and relationship as liaison with CIC, Minister and government to promote or advocate corporate interests and concerns		Prepare and Approve (CEO, EA)		Review and Monitor (Chair)	
96. Communication with Minister on Board Matters		Monitor (CEO)		Monitor (Chair)	
97. Quality and timing of information / summaries / submissions / management reporting info detail	Identify		Identify (HRGC)	Identify and Approve	Input and / or Direct

4.6 CITIZENSHIP

4.6.1 STAKEHOLDER, COMMUNITY AND ENVIRONMENTAL RELATIONS

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
98. Brand and reputation management	Prepare	Approve (EC)		Monitor	
99. Sustainable development practices	Prepare	Approve (EC)		Monitor	
100. Sponsorship and donations	Prepare	Approve (EC)		Approve (if sponsorship is over \$10,000 cash)	
101. Saskatchewan and Aboriginal procurement	Prepare and Approve	Monitor (EC)		Monitor	Direct and Monitor
102. Diverse workforce targets and measures	Prepare and Approve	Monitor (EC)	Monitor (HRGC)	Monitor	Direct and Monitor
103. Relationships with Universities: head leases on land and clauses	Assist	Monitor (VPCOO, CEO)			

4.7 POTENTIAL ACTIVITIES

ISSUE	MANAGEMENT	CEO / EC	BOARD COMMITTEE	BOARD	CIC BOARD
104. Public Policy initiatives	Report	Review and Prepare		Report	Recommend (Approved by Cabinet)
105. Foreign investment	Prepare			Recommend	Recommend (Approved by Cabinet)
106. Creation of subsidiaries	Prepare	Review and Prepare		Recommend	Recommend (Approved by Cabinet)

5.0

CIC DECISION MAKING MATRIX FOR CROWN CORPORATIONS

CIC's Decision-Making Matrix provides high-level guidance regarding the responsibilities, authorities and accountabilities for various public policy and business decisions affecting the Crown sector.

CIC's Decision-Making Matrix can be found [here](#) (and in the Resource Center in Diligent Boardbooks under CIC Relevant Policies).

6.0

BOARD OF DIRECTORS TERMS OF REFERENCE

6.1 OBJECTIVES AND PRINCIPAL DUTIES

The Board of Directors functions as the steward of the Corporation and has statutory authority and an obligation to oversee the management of the affairs and business of the Corporation. While the fundamental objective of the Board is to act in the best interests of the Corporation, the Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance, and is accountable to the shareholder to establish procedures for effective corporate governance which will enhance shareholder value.

6.2 SCOPE, DUTIES AND RESPONSIBILITIES

In discharging its obligations, the Board has specific responsibilities for the following, which do not, in any way limit or comprehensively define its overall responsibility for stewardship of the Corporation.

6.2.1 REVIEW AND APPROVAL RESPONSIBILITIES

In discharging its obligations, the Board has to review (the process of checking someone else's work to give input, advice and suggestions for improvement) and approve (the process of formally signing-off on a document or function) to indicate that a decision has been made to proceed. The Board has review and approve responsibilities for the items outlined below.

1. Management Policies
 - a. Corporate Code of Conduct
 - b. Conflict of Interest
 - c. Public Interest Disclosure
 - d. investments for surplus cash
2. Corporate Risk
 - a. definition of risk tolerance
 - b. corporate Risk Management Framework
 - c. risk management strategies
 - d. corporate risk reports
 - e. insurance

3. External communication including:
 - a. Annual Report;
 - b. annual Report of Payments (including the President and Vice President level out of province travel);
 - c. quarterly External Financial Report; and
 - d. quarterly Report on Losses.
4. Internal Communications to Stakeholders including:
 - a. quarterly Performance Management Reports;
 - b. quarterly Board of Director's expenses;
 - c. quarterly President's expenses.
5. The creation and function of Board Committees including:
 - a. standards for effective composition and functioning;
 - b. scope and role of Board Committee;
 - c. scope and role of Board Committee Chairs;
 - d. selection of Committee Chairs; and
 - e. selection of Committee members.
6. Board policies including:
 - a. risk management in relation to governance;
 - b. CIC Subsidiary Crown Policies;
 - c. Conflict of Interest including:
 - i. addressing concerns of potential conflict of interest arising from the Board; and
 - ii. annually conflict of interest questionnaire and CIC Code of Conduct affirmations.
7. Board effectiveness / evaluations.
8. The following in relation to the President and Chief Executive Officer:
 - a. delegation of approval and reporting authority;
 - b. annual objectives, compensation and training;
 - c. review evaluation process; and
 - d. annual performance assessment.
9. The following in relation to Management:
 - a. succession and retention plan for management; and
 - b. management policies on sensitive matters: e.g. vacation pay out policy.
10. Internal audit charter, plans, reports and resolutions; as well as, monitor internal audit performance.
11. External auditor non-audit services.
12. External audit plan.
13. External audit management letter.
14. Audit representation letter.
15. Changes in accounting policy.

16. Review and approve, every second year, any amendments to the Board and Committee Chair Terms of Reference, Board and Committee Terms of Reference and all Work Plans.
17. Oversee relationship with Corporation, CIC and the Minister.
18. Monitor legislation and proposed changes to legislation.
19. Appointment of auditors
20. In relation to management compensation:
 - a. CEO compensation;
 - b. executives (Vice President level and Executive Director level) and employees benefit policies and other compensation;
 - c. executives salary holdback plans;
 - d. executives salary holdback results;
 - e. overall annual merit pay ranges;
 - f. annual economic adjustments; and
 - g. recommend alternative forms of compensation.
21. In relation to the Performance Management Plan:
 - a. provide input to Management on expectations for annual strategic planning session;
 - b. annual strategic planning session; and
 - c. Performance Management Plan (including commercial and financial objectives).
22.
 - a. Dividend policy and revenue retention strategies (retained earnings, cash reserves).
 - b. Amount of annual dividend.
23. CEO / CFO Certification.

6.2.2 DELEGATION OF AUTHORITIES APPROVAL RESPONSIBILITIES

24. In discharging its obligations, the Board has to approve particular items within the Delegation of Authorities (See the Responsibility, Accountability and Authority Matrix for more detail). The following are a few specific conditions:
 - a. write-offs over \$250,000;
 - b. design expenditures over \$200,000 and capital additions over \$2,000,000;
 - c. strategic investment in tenants over \$250,000 each and a \$500,000 aggregate value;
 - d. capital project over expenditures (cost overruns) over \$500,000;

NOTE: The total cost cannot go over original delegations approval (i.e., if due to the capital over expenditure the new capital project cost exceeds \$5M, then cabinet approval would be required.)
 - e. legal actions over \$500,000 (per event); and
 - f. cash sponsorships greater than \$10,000.

6.2.3 REVIEW AND RECOMMEND RESPONSIBILITIES

In discharging its obligations, the Board has to review (the process of checking someone else's work to give input, advice and suggestions for improvement) and recommend (the process of formally signing-off on a document or function, to indicate concurrence, and passing this along) to someone else (generally CIC) for a decision. The Board has review and recommendation responsibilities for the items outlined below.

- 25. Corporate Mission / Mandate.
- 26. Board appointments, Including the selection of Board Chair and Vice Chair.
- 27. Appointment of CEO.
- 28. Creation of subsidiaries.

6.2.4 PREPARE RESPONSIBILITIES (USUALLY DELEGATED TO CHAIR)

In discharging its obligations, the Board has to prepare responsibilities for:

- 29. Board members' expenses.
- 30. a. Board orientation and training.
 - b. Review external training and development sessions taken by Directors.
- 31. Board communications.

6.2.5 MONITOR RESPONSIBILITIES

In discharging its obligations, the Board has to monitor and check that decisions and recommendations are being carried out effectively after a decision. The Board has monitor responsibilities for the items outlined below.

- 32. Business development strategies (how to reach goals).
- 33. Risk management: strategies and prioritize risks.
- 34. Recommend HR policies
- 35. Review appointment of CFO.
- 36. Provide annual input on performance of CFO.
- 37. Construction project reporting.
- 38. Brand and reputation management.
- 39. Social / community responsibility.
- 40. Sustainable development practices.
- 41. Internal controls including safeguarding of assets.
- 42. Key information technology issues.
- 43. Compliance with legislation.

44. Monitor compliance with significant policies and procedures of the Corporation (per the external audit results and the CEO / CFO certification in the Annual Report).
45. The Board shall review and report to the Board annually respecting the discharge of its duties pursuant to the Terms of Reference.

6.3 LEGAL AND COMPLIANCE RESPONSIBILITIES

The Board has a responsibility to see that procedures are in place to ensure statutory responsibilities are met, an effective corporate compliance program has been established, and corporate documents and records are properly prepared, approved and maintained.

In performing their duties, members of the Board will:

- act honestly and in good faith with a view to the best interests of the Corporation, while taking into account the public policy and business objectives of the Corporation;
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- be free from conflicts of interest and exercise independent judgment in carrying out their responsibilities (the majority of members must be "independent" with no material relationship to the Corporation consistent with the prevailing practices in industry); and
- comply with the provisions of *The Saskatchewan Opportunities Corporation Act* and *The Crown Corporations Act, 1993*, as amended or replaced from time to time.

In discharging its legal and compliance responsibilities, the Board will:

- ensure that the Corporation establishes appropriate and effective policies and procedures to operate at all times within applicable laws and regulations, and according to the highest ethical and moral standards; and
- approve and monitor compliance with significant policies and procedures by which the Corporation is operated.

All deliberations of the Board, and all corporate records, material and information obtained by a member of the Board and not generally available to the public will be considered confidential. Board members will maintain the confidentiality of such deliberations and will safeguard such records and information from improper access.

6.4 CONSTITUTION

The Board of Directors will be comprised of not more than twelve (12) members, who shall be appointed by the Lieutenant Governor in Council. Each member of the Board shall hold office at pleasure for a period not exceeding three (3) years. Each member of the Board will continue to be a member of the Board until a successor is appointed. A member may be reappointed. Where a vacancy occurs at any time in the membership of the Board, it may be filled by the Lieutenant Governor in Council.

The Board shall develop position profiles, and may make recommendations respecting appropriate mix of skill sets, qualifications and expertise required for new members. The Board may make recommendations respecting appropriate skill sets and individuals to fill vacancies.

The Lieutenant Governor in Council will designate a Chair from among the Board members, and may designate another member as Vice Chair. If the Board Chair is absent from a meeting of the Board or unable to act or the office of the Chair is vacant, the Vice Chair will perform the duties and exercise the powers of the Chair. If both the Chair and the Vice Chair are absent, the remaining members of the Board will choose the Chair of the meeting.

The Corporate Secretary to the Board of Directors, who need not be a Director of the Corporation, will be an employee of the Crown Investments Corporation (CIC). If the Secretary is not present at any meeting of the Board, the Board may appoint an acting Secretary to perform the functions of the Secretary at that meeting.

6.5 MEETINGS

The time and place of meetings of the Board and the procedures at such meetings will be determined from time to time by the members of the Board, provided that:

- a quorum for meetings shall be a majority of the members of the Board, present either in person or by telephone or other telecommunications device that permits all members participating in the meeting to speak to and hear each other;
- the Board will meet at least quarterly and will adopt an annual work plan to ensure that duties listed in the terms of reference are scheduled and achieved;
- a meeting of the Board may be called on the direction of the Chair of the Board, the Chief Executive Officer of the Corporation or by any two (2) members of the Board;
- reasonable notice of the time and place of every meeting will be given by electronic communication to each member of the Board prior to the time fixed for such meeting, preferably a minimum of ten (10) days before the meeting but not less than five (5) days;
- the Agenda and associated material will be provided to each member of the Board prior to the time for such meeting, and preferably a minimum seven (7) calendar days before the meeting;
- the CEO shall be invited to attend all Board meetings;
- a member may in any manner waive a Notice of Meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; and
- the Board shall at all times have the right to determine which non-Board members shall and shall not be present at any part of the meetings of the Board.

6.6 IN CAMERA MEETINGS

The Board shall at all times have the right to hold an in camera session, and should do so at least once a year.

6.7 MINUTES AND REPORTING RESPONSIBILITY

An outline of material issues addressed by the Board, and all recommendations, decisions and directives of the Board shall be recorded by the Secretary in the minutes of the meeting.

A draft copy of the minutes of such Board or Committee meeting, approved by the Chair, shall be circulated to the Board at least seven (7) days prior to the next regular Board meeting. Following approval of the minutes of the meeting by the Board, if substantive revisions have been made to the draft minutes, the minutes approved by the Board shall be re-circulated to the Board.

6.8 COMMITTEE STRUCTURE

The Board has statutory authority to appoint any Committees that it considers necessary for the efficient conduct of the affairs and business of the Corporation and to prescribe the scope, duties and responsibilities of any Committee it appoints through terms of reference for the Committee.

The appointment by the Board of a Committee and the assignment of duties to it do not absolve the full Board of its responsibility for the actions or recommendations of the Committee. Committees shall assist with the deliberations required for the fulfillment of the Board's mandate; however, unless specifically stated otherwise, all Committees shall act in an advisory capacity only, deferring decisions to the Board.

At a minimum, the Board will establish an Audit & Finance Committee and a Governance Committee. The scope, duties and responsibilities are set out in the respective terms of reference of each Committee.

The Board Chair, in conjunction with the Committee Chairs, shall annually review the membership composition, and mix of required skills and qualifications of all Board Committees.

6.9 ACCESS TO CORPORATE RECORDS / PERSONNEL

In performing any of its duties and responsibilities, the Board will have access to any and all books and records of the Corporation required for the execution of the Board's obligations.

6.10 EXTERNAL ADVISORS

If, in the opinion of the Board, it is necessary to properly discharge its duties and responsibilities, that the Board or any Committee of the Board obtains the advice and counsel of external advisors, the Board may engage the necessary advisors and will be allocated a budget to do so.

6.11 REMUNERATION AND EXPENSES

The Remuneration Schedule and Expense Guidelines for the SOCO Board of Directors are set and approved by the Crown Investments Corporation Board pursuant to subsection 9(1) of *The Crown Corporations Act*, 1993.

7.0

BOARD OF DIRECTORS WORK PLAN

The Board of Directors of Saskatchewan Opportunities Corporation (SOCO) oversees the conduct of the business and affairs of the organization, supervises its management and uses reasonable efforts to ensure that all major issues affecting the organization are given appropriate consideration.

Board meetings will be held quarterly. Special meetings may be held throughout the year to approve building submissions. In addition, an annual Strategic Planning session will be held in August.

REVIEW AND APPROVAL RESPONSIBILITIES

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
1. Management Policies:				
a. Corporate Code of Conduct;		•		
b. Conflict of Interest;		•		
c. Public Interest Disclosure;		•		
d. investments for surplus cash.		•		
2. Corporate Risk:				
a. definition of risk tolerance;		As Required		
b. corporate Risk Management Framework;		As Required		
c. risk management strategies;		As Required		
d. corporate risk reports;	•			
e. insurance.			•	
3. External communication including:				
a. Annual Report.				•
b. annual Report of Payments (including the President and Vice President level out of province travel).				•
c. quarterly External Financial Report.	•	•	•	
d. quarterly Report on Losses.	•	•	•	•
4. Internal Communications to Stakeholders including:				
a. quarterly Performance Management Reports:	•	•	•	•
b. quarterly Board of Director's Expenses; and	•	•	•	•

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
c. quarterly President's Expenses.	●	●	●	●
5. The creation and function of Board including:				
a. standards for effective composition and functioning;		As Required		
b. scope and role of Board Committee;		As Required		
c. scope and role of Board Committee Chairs;		As Required		
d. selection of Committee Chairs;		As Required		
e. selection of members (recommend appropriate mix of skill set, qualifications and expertise).		As Required		
6. Board policies:				
a. risk management in relation to governance;		As Required		
b. CIC Subsidiary Crown policies;		As Required		
c. Conflict of Interest:				
i. addressing concerns of potential conflict of interest arising from the Board; and		As Required		
ii. annually conflict of interest questionnaire and CIC Code of Conduct affirmations.				●
7. Board effectiveness / evaluations (as part of the evaluations led by the Corporate Secretary).			● Every Third Year	
8. The following in relation to the President and Chief Executive Officer:				
a. delegation of approval and reporting authority (per the Responsibility, Accountability and Authority Matrix);		As Required		
b. annual objectives, compensation and training plan (per the President's annual performance management plan);			●	
c. Review evaluation process; and			●	
d. annual performance assessment.				●
9. The following in relation to Management:				
a. succession and retention plan for management;			●	
b. management policies on sensitive matters: e.g. vacation pay out policy.		As Required		
10. Internal audit charter, plans, reports and resolutions; as well as, monitor internal audit performance.		As Required		
11. External auditor non-audit services.		As Required		
12. External audit plan.			●	
13. External audit management letter.	●			

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
14. Audit representation letter.				●
15. Changes in accounting policy.		As Required		
16. Review and approve any amendments to the Board and Committee Chair Terms of Reference, Board and Committee Terms of Reference and all Work Plans.				● Every Second Year
17. Oversee relationship with Corporation, CIC and the Minister.		As Required		
18. Monitor legislation and proposed changes to legislation.		As Required		
19. Appointment of auditors (typically every 5 years).		As Required		
20. In relation to management compensation:				
a. CEO compensation;			●	
b. executives (Vice President level and Executive Directors level) and employees benefit policies and other compensation;		As Required		
c. executives salary holdback plans;			●	
d. executives salary holdback results;				●
e. overall annual merit pay ranges;			●	
f. annual economic adjustments;			●	
g. recommend alternative forms of compensation.		As Required		
21. In relation to the Performance Management Plan:				
a. provide input to Management on expectations for annual strategic planning session;				●
b. annual strategic planning session; and	●			
c. Performance Management Plan (including commercial and financial objectives).		●		
22. a. Dividend policy and revenue retention strategies: retained earnings and cash reserves (per the annual Performance Management Plan).		As Required		
b. Amount of annual dividend.				●
23. CEO / CFO Certification (per the Annual Report).				●

DELEGATION OF AUTHORITIES APPROVAL RESPONSIBILITIES

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
24. In discharging its obligations, the Board has to approve particular items within the Delegation of Authorities per the Responsibility, Accountability and Authority Matrix				
a. write-offs over \$250,000;		As Required		
b. design expenditures over \$200,000 and capital additions over \$2,000,000;		As Required		
c. strategic investment in tenants over \$250,000 each and a \$500,000 aggregate value;		As Required		
d. capital project over expenditures (cost overruns) over \$500,000;		As Required		
e. legal actions over \$500,000 (per event);		As Required		
f. cash sponsorships greater than \$10,000.		As Required		

REVIEW AND RECOMMEND RESPONSIBILITIES

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
25. Corporate Mission / Mandate (per the annual Performance Management Plan).		●		
26. Board appointments, including the selection of Board Chair and Vice Chair.		As Required		
27. Appointment of CEO.		As Required		
28. Creation of subsidiaries.		As Required		

PREPARE RESPONSIBILITIES (USUALLY DELEGATED TO CHAIR)

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUGUST	Q2 NOVEMBER	Q3 FEBRUARY	Q4 MAY
29. Board members' expenses (per quarterly directors expense reports and the annual Report of Payments).	●	●	●	●
30. a. Board orientation and training.		●		
b. Review external training and development sessions taken by Directors.	●	●	●	●
31. Board communications.		As Required		

MONITOR RESPONSIBILITIES

BOARD RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
32. Business development strategies (per the annual Performance Management Plan).		●		
33. Risk management: strategies and prioritize risks (per the semi-annual risk management reporting).		As Required		
34. Recommend HR policies		As Required		
35. Review appointment of CFO.		As Required		
36. Provide annual input on performance of CFO.			●	
37. Construction project reporting (per quarterly Performance Management Report).	●	●	●	●
38. Brand and reputation management.		As Required		
39. Social / community responsibility.		As Required		
40. Sustainable development practices (per the annual Performance Management Plan and the Annual Report).		●		●
41. Internal controls including safeguarding of assets (per the external audit results and the CEO / CFO certification in the Annual Report).				●
42. Key information technology issues (per the external audit results and the CEO / CFO certification in the Annual Report).				●
43. Compliance with legislation (per the external audit results and the CEO / CFO certification in the Annual Report).				●
44. Monitor compliance with significant policies and procedures of the Corporation (per the external audit results and the CEO / CFO certification in the Annual Report).				●
45. The Board shall review and report to the Board annually respecting the discharge of its duties pursuant to the terms of reference.			●	

8.0

BOARD CHAIR TERMS OF REFERENCE

8.1 OBJECTIVES AND PRINCIPAL DUTIES

The position of Board Chair demands special skills and abilities, and is often seen as one of the most important factors in determining overall board effectiveness.

The Chair should be a person who can set the board's agenda; run meetings effectively; control discussion appropriately; manage dissent; work toward consensus; communicate persuasively with colleagues, management, the public and Government; and most important establish a culture of active and constructive board engagement.

The Chairperson shall:

1. Schedule, in consultation with the CEO, Committee Chairs and the Corporate Secretary meetings of the SOCO Board of Directors;
2. Set, in consultation with the CEO, Committee Chairs and the Corporate Secretary the agenda for meetings of the SOCO Board of Directors, making sure there is sufficient time for serious discussion of agenda items and relevant issues of importance for Directors;
3. Preside over all meetings of the Board;
4. Communicate with the Minister on board matters;
5. Provide monthly Chair's reports to CIC;
6. Conduct biennial Committee and Committee member evaluations (sharing responsibility with the governance committee);
7. Be responsible for:
 - a. managing Board affairs;
 - b. effective Board performance;
 - c. ensuring Board responsibilities and duties, as well as those of Committees and Committee Chairs are well understood by both the Board and management, and are executed effectively;
 - d. preparing the Board orientation and training plans;
 - e. identifying Committee Chairs and Committee members for Board approval; and
 - f. managing conflicts of interest should they arise.
8. Review and approve CEO expenses;
9. Approve Board members' attendance at meetings other than Board or Committee meetings;
10. Building and maintaining a sound working relationship with the CEO, the responsible Minister and other Government representatives;
11. Serve as an ex-officio member of all Board Committees and advisory panels;

12. Review Board communication, including minutes of Committee and Board meetings;
13. Ensure that any duties and functions delegated to committees are carried out and reported effectively to the Board of Directors;
14. Recommend to CIC the removal or replacement of Board members, where circumstances warrant;
15. Serve generally as the Board's only official spokesperson; and
16. Perform all the duties that may be imposed on, and may exercise all the powers that may be assigned to, the Chairperson by resolution of the Board.

8.2 APPOINTMENT

The Lieutenant Governor in Council shall designate one member of the Board as Chairperson of the Board and may designate another member of the Board as Vice Chairperson of the Board.

Where the Chairperson is absent or unable to act or the office of Chairperson is vacant, the Vice Chairperson shall perform all the duties and may exercise all the powers of the Chairperson.

Where the Chairperson and the Vice Chairperson are absent or unable to act at a meeting, the Board members who are present may choose another person to act as Chairperson for the purposes of that meeting.

The Chair presiding at any meeting of the Board will have a vote in all matters considered by the Board. In the event of a tie, the Chair shall have an additional tie-breaking vote.

8.3 RENEWAL OF CHAIR'S TERMS OF REFERENCE

In collaboration with the Governance Committee, the Board will review and submit revisions, as required, for the Board Chair Terms of Reference.

9.0

COMMITTEE CHAIR TERMS OF REFERENCE

9.1 OBJECTIVES AND PRINCIPAL DUTIES

The position of Committee Chair is often the most important factor in determining overall Committee effectiveness.

The Committee Chair is the person who ensures the Committee is carrying out the duties assigned by the Board to the Committee as part of the Committee's Terms of Reference and Work Plan. The Committee Chair must run meetings effectively; control discussion appropriately; manage dissent; work toward consensus; communicate persuasively with Committee members and the Board Chair and effectively reports on Committee discussions and recommendations to the Board.

The Committee Chair shall:

1. Schedule, in consultation with the CEO, the Board Chair and the Corporate Secretary, meetings of the Committee;
2. Set, in consultation with the CEO, CFO, the Board Chair and the Corporate Secretary, or other responsible executive the agenda for meetings of the Committee, making sure there is sufficient time for serious discussion of agenda items and relevant issues of importance for Committee members;
3. Preside over all meetings of the Committee;
4. Review Committee communication, including minutes of Committee meetings;
5. Manage Committee affairs;
6. Ensure effective Committee performance;
7. Conduct biennial Committee and Committee member evaluations (sharing responsibility with the Human Resources and Governance Committee);
8. Manage conflicts of interest should they arise;
9. Build and maintain a sound working relationship with CIC, the CEO, the responsible executives and the Chair of the Board with respect to issues of interest to the Committee;
10. Collaborate with management on Committee matters;
11. Recommend to Chair of the Board the removal or replacement of a Committee member, where circumstances warrant;
12. Serve generally as the Committee's official spokesperson; and
13. Shall perform all the duties that may be imposed on, and may exercise all the powers that may be assigned to, the Committee Chair by resolution of the Board.

9.2 APPOINTMENT

The Chair of the Board shall identify a Chairperson for each Committee from the identified members of the Committee and recommend appointment to the Board.

The Board shall designate one member of the Committee as Committee Chair.

Where the Committee Chair is absent or unable to act or the office of Committee Chair is vacant, the Committee members who are present may choose another person to act as Committee Chair for the purposes of that meeting.

10.0

HUMAN RESOURCES AND GOVERNANCE COMMITTEE TERMS OF REFERENCE

10.1 OBJECTIVES AND PRINCIPAL DUTIES

To assist the Board in meeting its responsibilities, the Human Resources and Governance Committee (the "Committee") shall:

- act in an advisory capacity to the Board;
- be responsible for, and report to the Board concerning the human resources, corporate governance processes, policies and principles of the Board and any subsidiary companies;
- be responsible for Board succession, Directors' Conflict of Interest, and Board evaluations; and
- undertake other duties as directed by the Board from time to time to assist the Board in delivering effective governance practices.

The Committee shall assist with deliberations required for the fulfillment of the Board's mandate and those specific responsibilities and duties assigned to the Committee; however, unless specifically stated otherwise, the Committee shall act in an advisory capacity only, recommending decisions to the Board for approval.

10.2 SCOPE, DUTIES AND RESPONSIBILITIES

In discharging its obligations, the Board has specific responsibilities that it delegates to Committees of the Board, which do not, in any way limit or comprehensively define its overall responsibility for stewardship of the Corporation.

The Human Resources and Governance Committee shall have the following specific functions, duties and responsibilities:

10.2.1 BOARD MANAGEMENT

Monitor the functioning of the Board and Committees of the Board, and recommend governance issues to be discussed by the Board and Committees of the Board, to ensure timely and complete information and decision making at the Board and Committee levels:

1. Review and recommend to the Board, every second year, any amendments as deemed necessary or advisable in the following documents:
 - a. review Board Chair Terms of Reference;
 - b. review Committee Chair Terms of Reference; and
 - c. review Board and Committee Terms of Reference and Work Plans.
2. Recommend to the Board the size, composition, required capabilities and compensation of the Board of Directors to meet the needs of the Corporation.
3. Review and recommend, as required, potential candidates for appointment to the Board, and following Board agreement, forward such recommendations to the CIC Board:
 - a. prepare the profile of the Board (skills profile);
 - b. identify Board appointments (members); and
 - c. identify selection of Board Chair.
4. Recommend to the Board, when required, a candidate for appointment to the offices of Chair and Vice Chair of the Board.
5. Recommend to the Board the establishment or abolition of Board Committees and their size, membership and Chairs.
6. Review and provide counseling support to individual Directors on legal and governance issues.
7. Review the Board / Committee members' expenses quarterly and provide summary to Board.
8. Review President's expenses quarterly.
9. Review and recommend for approval a Directors' orientation and continuing education policy:
 - a. recommend Board orientation and training; and
 - b. review and report to the Board external training and development sessions taken by Directors.
10. Review and recommend to the Board risk management policies in relation to governance.

10.2.2 PROTOCOL

11. Establish procedures for effective Board and Committee meetings and independent function of the Board.

10.2.3 POLICIES

12. Provide updates to the Board regarding revisions to existing or the introduction of new CIC Subsidiary Crown policies.
13. Review procedures that prohibit retaliation or other action taken against any SOCO employees or associates who, in good faith, report a complaint, in compliance with the Public Interest Disclosure policy.

10.2.4 GOVERNANCE

14. Oversee the relationship between the Corporation, CIC and the Minister Responsible.
15. In conjunction with the Chair of the Board and the CEO of the Corporation, evaluate, review and respond to any relevant legislation, report, position paper, or other developments on the subject of corporate governance generally and the duties and responsibilities of Directors in particular, including quality and timing of information, summaries, submissions and management reporting received by the Board.
16. Every third year, prepare and monitor Board and Board Chair evaluation performance results; review and recommend suggested changes to the Board. Provide formal evaluation in writing to the Board on the performance of the Committee, Committee Chairs and individual members every third year.

10.2.5 CONFLICT OF INTEREST

17. Review and report to the Board on conflict of interest matters involving Directors, the President and Chief Executive Officer and / or senior executives as necessary. This would include:
 - a. acting as the Ethics Advisor, as contemplated by the Crown Investments Corporation Directors' Code of Conduct (the "CIC Code");
 - b. providing clarification and direction to the Board members respecting the existence of a conflict, or potential conflict, of interest; and
 - c. reviewing activities submitted by Directors which they believe contravenes the Code and if so, advise the Director to refrain from the activity or take other appropriate action to remedy the conflict or perceived conflict.
 - d. Monitor and report on compliance with the CIC Directors' Code of Conduct Policy.
18. Annually distribute conflict of interest questionnaires and CIC Code of Conduct affirmations to members for completion.

10.2.6 LEGISLATION

19. Monitor changes to The SOCO Act and report to the Board.

10.2.7 HUMAN RESOURCES

20. Recommend CEO appointment.
21. Review annually the President and CEO's compensation and recommend changes as deemed necessary or advisable and prepare and recommend CEO salary in consultation with the Board Chair.
22. Review and recommend changes to the CEO's annual objectives and performance management plan in consultation with the Board Chair.
23. Review the President and CEO evaluation process.
24. Prepare annually the assessment of CEO performance for Board approval.
25. Review and recommend the CEO's training and development plan.

26. Respond to the Board, as noted, in respect of salaries and other compensation:
 - a. recommend salary holdback plan (and as externally directed);
 - b. recommend salary holdback payout (and as externally directed);
 - c. recommend merit pay ranges (and as externally directed);
 - d. recommend economic adjustments (and as externally directed);
 - e. recommend alternative forms of compensation;
 - f. recommend HR Policies
 - g. recommend "sensitive [financial] matters".
27. The following in relation to Management:
 - a. Succession and retention plan for management; and
 - b. Management policies on sensitive matters.
28. The Committee shall review and provide a written report to the Board annually respecting the discharge of its duties pursuant to the terms of reference.

10.3 CONSTITUTION

The Human Resource and Governance Committee of the Board shall be comprised of a minimum of three (3) members of the Board, all Independent Directors of the Corporation with no material relationship to the Corporation, consistent with the prevailing industry practices. Members of the Committee must be free from conflicts of interest and exercise independent judgment in carrying out their responsibilities.

A least one member of the Committee shall have expertise in corporate governance. In the event there is no member with expertise in corporate governance, upon adoption of the Committee's Terms of Reference, or upon appointment to the Committee, one of the Committee members may undertake to develop corporate governance expertise. The new Committee member is granted a transition period to develop corporate governance capabilities within a reasonable period of time after appointment, and shall report same to the Chair of the Committee.

The members of the Committee will be appointed by resolution of the Board. Each member of the Committee will continue to be a Committee member until a successor is appointed, unless the member resigns, is removed by resolution of the Board or otherwise ceases to be a Director of the Corporation.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board, and shall be filled by the Board, if the membership of the Committee is less than three (3) members as a result of the vacancy.

The Board or, in the event of its failure to do so, the Committee will appoint a Chair from among the Committee members. If the Committee Chair is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.

The Board Chair presiding at any meeting of the Committee, as an ex-officio member, shall have a vote in all matters considered by the Committee and shall count towards quorum. In the event of a tie, the matter shall be referred to the Board as a whole for decision.

The Corporate Secretary to the Board of Directors, or a designate from Crown Investments Corporation, will serve as the Secretary to the Committee. If the Secretary is not present at any meeting of the Committee, the Committee may appoint an acting Secretary to perform the functions of the Secretary at that meeting.

10.4 MEETINGS

The time and place of meetings of the Committee and the procedures at such meetings will be determined from time to time by the members of the Committee, provided that:

- a quorum for meetings shall be a majority of the Committee members, present either in person or by telephone or other telecommunications device that permits all members participating in the meeting to speak to and hear each other;
- the Committee will meet at least quarterly and will adopt an annual work plan to ensure that duties listed in the mandate are scheduled and achieved;
- reasonable notice of the time and place of every meeting will be given by electronic communication to each member of the Committee prior to the time fixed for such meeting (preferably a minimum of ten (10) days before the meeting);
- the Agenda and associated material will be provided to each member of the Committee prior to the time for such meeting, preferably a minimum of seven (7) days before the meeting;
- a meeting of the Committee may be called on the direction of the Chair of the Committee, the Chair of the Board or Chief Executive Officer of the Corporation or by any two (2) members of the Committee;
- the CEO and CFO of the Corporation shall be invited to attend all Committee meetings; and
- the Committee will at all times have the right to determine who will and will not be present at any part of the meetings of the Committee and without further notice can at all times have the right to hold an in camera session.

10.5 IN CAMERA MEETINGS

The Committee shall at all times have the right to hold an in camera session and should do so at least once a year.

10.6 MINUTES AND REPORTING RESPONSIBILITY

An outline of material issues addressed by the Committee and all recommendations, decisions and directives of the Committee will be recorded by the Secretary in the minutes of the meeting.

A draft copy of the minutes of such meeting, approved by the Committee Chair, shall be circulated to the Committee prior to the next Committee meeting, where practicable, for approval by the Committee, and to the Board at least seven (7) days prior to the next regular Board meeting. Following approval of the minutes of the meeting by the Committee as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Committee shall be re-circulated to the Committee.

There should not be separate minutes for in camera sessions.

A verbal report of the meeting will be made by the Committee Chair to the Board at the next meeting of the Board.

The Committee shall review and provide a written report to the Board respecting the discharge of its duties pursuant to the Committee's Terms of Reference.

10.7 ACCESS TO CORPORATE RECORDS

In performing any of its duties and responsibilities, the Committee shall:

- have access, through the Office of the President and CEO of the Corporation, to the kind and frequency of information required by the Committee;
- have access, in performing any of its duties and responsibilities, to any and all books and records of the Corporation required for the execution of the Committee's obligations; and
- if it is necessary, in the opinion of the Committee, that the Committee obtain the advice and counsel of external advisors, the Committee Chair shall, at the request of the Committee, engage the necessary advisors.

11.0

HUMAN RESOURCES AND GOVERNANCE COMMITTEE WORK PLAN

The Board of Saskatchewan Opportunities Corporation (SOCO) has established a Human Resources and Governance Committee (the "Committee") responsible for overseeing SOCO human resource and governance processes and the quality of its corporate governance and reporting to the Board concerning same. The Committee undertakes deliberative and policy work on behalf of the Board, and recommends decisions on all aspects of governance and nominations to the Board, when these decisions exceed delegated authority levels of management.

Regular meetings will be held quarterly in advance of the SOCO Board meeting.

BOARD MANAGEMENT

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
1. Review and recommend to the Board any amendments as deemed necessary or advisable in the following documents:				● Every Second Year
a. review Board Chair Terms of Reference;				
b. review Committee Chair Terms of Reference; and				
c. review Board and Committee Terms of Reference and Work Plans.				
2. Recommend to the Board the size, composition, required capabilities and compensation of the Board of Directors to meet the needs of the Corporation.		As Required		
3. Review and recommend, as required, potential candidates for appointment to the Board, and following Board agreement, forward such recommendations to the CIC Board:		As Required		
a. prepare the profile of the Board (skills profile);				
b. identify Board appointments (members); and				
c. identify selection of Board Chair.				
4. Recommend to the Board, when required, a candidate for appointment to the offices of Chair and Vice Chair of the Board.		As Required		
5. Recommend to the Board the establishment or abolition of Board Committees and their size, membership and Chairs.		As Required		

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
6. Review and provide counseling support to individual Directors on legal and governance issues.		As Required		
7. Review the Board / Committee members' expenses and provide summary to Board (as per quarterly Director's expense reports and the annual Report of Payments).	•	•	•	•
8. Review President's expenses (per quarterly reporting).	•	•	•	•
9. Review and recommend for approval a Directors' orientation and continuing education policy:				
a. recommend Board orientation and training; and		•		
b. review and report to the Board external training and development sessions taken by the Directors.	•	•	•	•
10. Review and recommend to the Board risk management policies in relation to governance (per the semi-annual risk management reporting).		As Required		

PROTOCOL

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
11. Establish procedures for effective Board and Committee meetings and independent function of the Board.		As Required		

POLICIES

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
12. Provide updates to the Board regarding the revisions to existing or the introduction of new CIC Subsidiary Crown policies.		As Required		
13. Review procedures that prohibit retaliation or other action taken against any SOCO employees or associates who, in good faith, report a complaint, in compliance with the Public Interest Disclosure policy.				•

GOVERNANCE

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
14. Oversee the relationship between the Corporation, CIC and the Minister Responsible.		As Required		
15. In conjunction with the Chair of the Board and the CEO of the Corporation, evaluate, review and respond to any relevant legislation, report, position paper, or other developments on the subject of corporate governance generally and the duties and responsibilities of Directors in particular, including quality and timing of information, summaries, submissions and management reporting received by the Board.		As Required		

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
16. Prepare and monitor Board and Board Chair evaluation performance results; review and recommend suggested changes to the Board. Provide formal evaluation in writing to the Board on the performance of the Committee, Committee Chairs and individual members.			● Every Third Year	

CONFLICT OF INTEREST

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
17. Review and report to the Board on conflict of interest matters involving Directors, the President and Chief Executive Officer and / or senior executives. This would include:				
a. acting as the Ethics Advisor, as contemplated by the Crown Investments Corporation Directors' Code of Conduct (the "CIC Code");		As Required		
b. providing clarification and direction to the Board members respecting the existence of a conflict, or potential conflict of interest;		As Required		
c. reviewing activities submitted by Directors which they believe contravenes the Code and if so, advise the Director to refrain from the activity or take other appropriate action to remedy the conflict or perceived conflict; and		As Required		
d. monitor and report on compliance with the CIC Directors' Code of Conduct Policy.				●
18. Annually distribute conflict of interest questionnaires and CIC Code of Conduct affirmations to members for completion.				●

LEGISLATION

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
19. Monitor changes to The SOCO Act and report to the Board		As Required		

HUMAN RESOURCES

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
20. Recommend CEO appointment.		As Required		
21. Review annually the President and CEO's compensation and recommend changes as deemed necessary or advisable and prepare and recommend CEO salary in consultation with the Board Chair.			●	
22. Review and recommend changes to the CEO's annual objectives and performance management plan in consultation with the Board Chair.			●	

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
23. Review the President and CEO evaluation process.			●	
24. Prepare annually the assessment of CEO performance for Board approval.				●
25. Review and recommend the CEO's training and development plan.			●	
26. Respond to the Board, as noted, in respect of salaries and other compensation:				
a. recommend salary holdback plan (and as externally directed);			●	
b. recommend salary holdback payout (and as externally directed);				●
c. recommend merit pay ranges (and as externally directed);			●	
d. recommend economic adjustments (and as externally directed);			●	
e. recommend alternative forms of compensation;		As Required		
f. recommend HR Policies;		As Required		
g. recommend "sensitive [financial] matters".		As Required		
27. The following in relation to Management:				
a. Succession and retention plan for management;			●	
b. Management policies on sensitive matters.		As Required		
28. The Committee shall review and provide a written report to the Board annually respecting the discharge of its duties pursuant to the terms of reference.			●	

12.0

AUDIT AND FINANCE COMMITTEE TERMS OF REFERENCE

12.1 OBJECTIVES AND PRINCIPAL DUTIES

To assist the Board in meeting its responsibilities, the Audit and Finance Committee (the "Committee") shall:

- act in an advisory capacity to the Board;
- ensure the adequacy and effectiveness of financial reporting by reviewing and recommending approval to the Board of Directors of all financial statements, accounting policies, balanced scorecard, internal and external audits, internal controls, management plans and information;
- monitor, review and ensure the adequacy of the Corporation's Risk Management and Information Technology policies and procedures; and
- act as a communication link between the Board, external, internal and provincial auditors and management.

The Committee shall assist with deliberations required for the fulfillment of the Board's mandate and those specific responsibilities and duties assigned to the Committee; however, unless specifically stated otherwise, the Committee shall act in advisory capacity only, recommending decisions to the Board for approval.

12.2 SCOPE, DUTIES AND RESPONSIBILITIES

In discharging its obligations, the Board has specific responsibilities that it delegates to Committees of the Board, which do not, in any way limit or comprehensively define its overall responsibility for stewardship of the Corporation.

The Audit and Finance Committee shall have the following specific functions, duties and responsibilities and where necessary recommend for approval to the Board of responsibilities:

12.2.1 EXTERNAL AUDIT

AUDITOR SELECTION AND SERVICES

1. Initiate external auditor selection process, including recommending approval to the Board of Directors for the Terms of Reference and Request for Proposals, for selection of external auditors, when required (typically every five years).
2. Evaluate and interview prospective auditing firms for external auditor appointment.
3. Recommend to the Board of Directors the audit firm(s) for the appointment of external auditor.
4. Review and recommend to the Board of Directors the significant non-audit services to be provided by the external auditors and specify in advance what services require approval before they commence.

AUDIT PROCESS

5. Review and recommend for approval to the Board of Directors an annual audit plan and engagement letter for the external auditor; review and recommend for approval an annual audit plan for the Provincial Auditor.
6. Review the formal representation letter provided by management to the external auditors as to the accuracy, fairness and completeness of financial reporting.
7. Meet at least annually with the Corporation's external auditor, without management present, to get the external auditor's views on the annual audit including any problems encountered.
8. Meet at least annually with corporate management, without the external auditor present, to get management's views on the annual audit including any problems encountered.
9. Review and recommend to the Board of Directors approval of the Corporation's audited Financial Statements and related audit reports.
10. Monitor the external auditor's reports and management letter and ensure action is taken by management where applicable.

12.2.2 INTERNAL AUDIT

11. Review and recommend for approval the internal audit function / role to the Board of Directors per internal audit charter.
12. Review and recommend for approval to the Board of Directors the internal audit plans.
13. Monitor the internal audit progress reports.
14. Monitor and ensure all items from internal auditor's reports are resolved.

12.2.3 FINANCING AND INVESTING

15. Review annually the borrowing of the Corporation per the annual Performance Management Plan and the annual Financial Statements.
16. At least annually, review and recommend to the Board of Directors investments policy for surplus cash.

12.2.4 PLANNING AND REPORTING

17. Review and recommend approval to the Board of Directors the annual Performance Management Plan, specifically the financial measures in the Balanced Scorecard and the operating and capital budgets.
18. Review listing of proposed sponsorships and donations.
19. Review and recommend for approval to the Board of Directors the Annual Report and Management Discussion and Analysis (MD&A).
20. Review and recommend for approval to the Board of Directors the annual Report of Payments.
21. Review and recommend for approval to the Board of Directors the quarterly External Report, including the MD&A and year to date financial results reported by management.
22. Review and recommend for approval to the Board of Directors the quarterly Performance Management Report, including:
 - a. year to date updates on Balanced Scorecard targets;
 - b. year to date financial statements;
 - c. the quarterly forecast;
 - d. capital results compared to budget; and
 - e. new capital projects.
23. Review and recommend approval to the Board of Directors the quarterly Report on Losses.
24. Monitor the annual supplemental balanced scorecard targets.

12.2.5 RISK MANAGEMENT

25. Committee will oversee risk management in relation to the effectiveness of internal controls and financial reporting by monitoring and recommending approval to the Board (where appropriate) on:
 - a. implementation of appropriate framework to identify, monitor and mitigate significant controllable business risks;
 - b. definition of risk tolerance;
 - c. risk management strategies;
 - d. high level risk reports on Corporate Risk; and
 - e. detailed risk assessment on corporate risks.

26. Monitor annually, the scope of insurance policy coverage limits and policies for the protection of assets, resources and investments, including asset maintenance and integrity policies / programs: e.g. security, data integrity and business continuity.
27. Monitor legal actions. If legal action is over \$500,000, must obtain approval from Board of Directors.

12.2.6 ACCOUNTING POLICY

28. Review and report to the Board of Directors any changes in accounting policies or significant transactions which impact the financial statements in a significant manner as per the annual Financial Statements.

12.2.7 INTERNAL CONTROLS

29. Monitor the effectiveness of the Corporation's system of internal controls to ensure compliance with accounting and financial reporting and policies.
30. Monitor the effectiveness of the Corporation's compliance with regulations and legislation.
31. Monitor CEO / CFO certification process and results.

12.2.8 INFORMATION TECHNOLOGY

32. On an annual basis, review and report to the Board key information technology issues as per the auditor's annual internal control reports and management letter.

12.2.9 MANAGEMENT PERFORMANCE

33. Provide annual input to the CEO on the performance of the CFO.
34. Review the appointment or exit of the CFO.
35. Monitor the out of province travel expenses of the President and executives in order to ensure reasonableness and consistency with policies set by the Crown Investments Corporation as part of the annual Report of Payments.

12.2.10 POLICY MONITORING AND REPORTING

36. Monitor Delegation of Authority policy as it relates to the responsibilities between the Board and the President.
37. Review the Corporation's report on material outstanding litigation and report to the Board.
38. Monitor policies for the safeguarding of assets as per the auditor's annual internal control reports and management letter.

12.2.11 OTHER DUTIES

39. Review other projects or developments as directed by the Board of Directors.
40. Review and recommend creation of subsidiaries.
41.
 - a. Review and recommend Dividend policy and revenue retention strategies.
 - b. Recommend to the Board the amount of the annual dividend (as per approval of the annual financial statements).
42. The Committee shall review and report to the Board annually respecting the discharge of its duties pursuant to the Committee's Terms of Reference.
43. Every second year, the Committee shall review, in conjunction with the Human Resources and Governance Committee, and report to the Board on the adequacy of the Committee's Terms of Reference and make amendments as required.

12.3 CONSTITUTION

The Audit and Finance Committee of the Board shall be comprised of a minimum of three (3) members of the Board, all independent Directors of the Corporation, with no material relationship to the Corporation, consistent with prevailing industry practices. Members of the Committee must be free from conflicts of interest and exercise independent judgment in carrying out their responsibilities.

All members of the Committee will be financially literate, meaning they must be able to read and understand SOCO financial statements and question them. In the event all members of the Committee are not financially literate, upon the adoption of the Committee's Terms of Reference, or upon appointment to the Committee, the Committee member may develop financial literacy capability within a reasonable period of time after appointment as a transition measure, and report same to Chair of the Committee.

The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns, is removed by resolution of the Board or otherwise ceases to be a member of the Board.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board, and shall be filled by the Board if the membership of the Committee is less than three (3) members as a result of the vacancy.

The Board, or in the event of its failure to do so, the Committee, shall appoint a Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.

The Chair presiding at any meeting of the Committee, as an ex-officio member, shall have a vote in all matters considered by the Committee and shall count towards quorum. In the event of a tie, the matter is referred to the Board as a whole for decision.

The Corporate Secretary to the Board of Directors, or a designate from Crown Investments Corporation, will serve as the Secretary to the Committee. If the Secretary is not present at any meeting of the Committee, the Committee may appoint an acting Secretary to perform the functions of the Secretary at that meeting.

12.4 MEETINGS

The time and place of meetings of the Committee and the procedures at such meetings will be determined from time to time by the members of the Committee, provided that:

- a quorum for meetings shall be a majority of the members of the Committee, present either in person or by telephone or other telecommunications device that permits all members participating in the meeting to speak to and hear each other;
- the Committee will meet at least quarterly, and will adopt an annual work plan to ensure that duties listed in the mandate are scheduled and achieved;
- both the CEO and CFO of the Corporation shall be invited to attend all Committee meetings;
- reasonable notice of the time and place of every meeting will be given by electronic communication to each member of the Committee prior to the time fixed for such meeting, preferably a minimum of ten (10) days before the meeting, but not less than five (5) days;
- the Agenda and associated material will be provided to each member of the Committee prior to the time for such meeting, preferably a minimum of seven (7) days before the meeting;
- a meeting of the Committee may be called by the Chair of the Committee, the Chair of the Board or Chief Executive Officer of the Corporation or by any two (2) members of the Committee; and
- the Committee will at all times have the right to determine who will and will not be present at any part of the meetings of the Committee and without further notice can at all times have the right to hold an in camera session.

12.5 IN CAMERA MEETINGS

The Audit and Finance Committee should hold a separate in camera session at least once a year with both the internal auditor and the external auditor.

12.6 MINUTES AND REPORTING RESPONSIBILITY

An outline of material issues addressed by the Committee, and all recommendations, decisions and directives of the Committee will be recorded by the Secretary in the minutes of the meeting.

A draft copy of the minutes of such meeting, approved by the Committee Chair, shall be circulated to the Committee prior to the next Committee where practicable, for approval by the Committee, and to the Board at least seven (7) days prior to the next regular Board meeting. Following approval of the minutes of the meeting by the Committee as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Committee shall be recirculated to the Committee.

There should not be separate minutes for in camera sessions.

A verbal report of the meeting will be made by the Committee Chair to the Board at the next meeting of the Board.

12.7 ACCESS TO CORPORATE RECORDS

In performing any of its duties and responsibilities, the Committee shall:

- have access, through the Office of the President and CEO of the Corporation, to the kind and frequency of information required by the Committee;
- have access, in performing any of its duties and responsibilities, to any and all books and records of the Corporation required for the execution of the Committee's obligations; and
- if, it is necessary in the opinion of the Committee, that the Committee obtain the advice and counsel of external advisors, the Committee Chair shall, at the request of the Committee, engage the necessary advisors.

12.8 EXTERNAL AUDITOR RELATIONSHIP AND INVOLVEMENT

The external auditors are ultimately accountable to the Committee and the Board, as representatives of the shareholder. The Committee shall review the qualifications, independence, quality of service and performance of the auditors and annually recommend to the Board and shareholder the appointment, reappointment, or when circumstances warrant, the discharge of the external auditors. The Committee has sole authority for the relationship with the external auditor, including recommending the terms of their audit engagement and related fees.

The external auditor shall be invited to attend meetings of the Committee.

12.9 INTERNAL AUDIT CHARTER

In November 2004, the Ad Hoc Committee of Audit and Finance Committee Chairs had a meeting in which the smaller Crowns, including SOCO, expressed an interest in CIC assisting with providing internal audit services for those Crowns who do not have the resources to support an internal audit function. In June 2006, a Manager of Internal Audit was hired to set up an internal audit function for CIC and the above mentioned Crowns, including SOCO.

A charter was developed that outlines the purpose, authority, reporting structure and responsibilities of the internal audit activity and to ensure that the charter is responsive to the needs of the Board of Directors.

13.0

AUDIT AND FINANCE COMMITTEE WORK PLAN

The Board of Directors of Saskatchewan Opportunities Corporation (SOCO) has established an Audit and Finance Committee (the "Committee") to review and recommend the financial reports of SOCO, and as part of fulfilling this mandate, to review the adequacy and effectiveness of policies and procedures regarding SOCO financial reporting, internal accounting, internal controls, management information, risk management, internal and external audit.

Regular Meetings will be held quarterly, in advance of the SOCO Board meeting.

AUDITOR SELECTION AND SERVICES

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
1. Initiate external auditor selection process, including recommending approval to the Board of Directors for the Terms of Reference and Request for Proposals, for selection of external auditors, when required (typically every five years).		As required		
2. Evaluate and interview prospective auditing firms for external auditor appointment.		As required		
3. Recommend to the Board of Directors the audit firm(s) for the appointment of external auditor.		As required		
4. Review and recommend to the Board of Directors the significant non-audit services to be provided by the external auditors and specify in advance what services require approval before they commence.		As required		

AUDIT PROCESS

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
5. Review and recommend for approval to the Board of Directors an annual audit plan and engagement letter for the external auditor; review and recommend for approval an annual audit plan for the Provincial Auditor.			●	
6. Review the formal representation letter provided by management to the external auditors as to the accuracy, fairness and completeness of financial reporting.				●
7. Meet at least annually with the Corporation's external auditor, without management present, to get the external auditor's views on the annual audit including any problems encountered.			●	●

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
8. Meet at least annually with corporate management, without the external auditor present, to get management's views on the annual audit including any problems encountered.				●
9. Review and recommend to the Board of Directors approval of the Corporation's audited Financial Statements and related audit reports.				●
10. Monitor the external auditor's reports and management letter and ensure action is taken by management where applicable.	●			

INTERNAL AUDIT

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
11. Review and recommend for approval the internal audit function / role to the Board of Directors per internal audit charter.		As required		
12. Review and recommend for approval to the Board of Directors the internal audit plans.		As required		
13. Monitor the internal audit progress reports.		As required		
14. Monitor and ensure all items from internal auditor's reports are resolved.		As required		

FINANCING AND INVESTING

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
15. Review annually the borrowing of the Corporation per the annual Performance Management Plan and the annual Financial Statements.		●		●
16. At least annually, review and recommend to the Board of Directors investments policy for surplus cash.		●		

PLANNING AND REPORTING

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
17. Review and recommend approval to the Board of Directors the annual Performance Management Plan, specifically the financial measures in the Balanced Scorecard and the operating and capital budgets.		●		
18. Review listing of proposed sponsorships and donations.		●		
19. Review and recommend for approval to the Board of Directors the Annual Report and Management Discussion and Analysis (MD&A).				●
20. Review and recommend for approval to the Board of Directors the annual Report of Payments.				●

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
21. Review and recommend for approval to the Board of Directors the quarterly External Report, including the MD&A and year to date financial results reported by management.	●	●	●	
22. Review and recommend for approval to the Board of Directors the quarterly Performance Management Report, including:	●	●	●	●
a. year to date updates on the financial balanced scorecard targets;				
b. year to date financial statements;				
c. the quarterly forecast;				
d. capital results compared to budget; and				
e. new capital projects.				
23. Review and recommend approval to the Board of Directors the quarterly Report on Losses.	●	●	●	●
24. Monitor the annual supplemental balanced scorecard targets.				●

RISK MANAGEMENT

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
25. Committee will oversee risk management in relation to the effectiveness of internal controls and financial reporting by monitoring and recommending approval to the Board (where appropriate) on:				
a. implementation of appropriate framework to identify, monitor and mitigate significant controllable business risks;		As required		
b. definition of risk tolerance;		As required		
c. risk management strategies		As required		
d. high level risk reports on corporate risks	●			
e. detailed risk assessment of corporate risks.			●	
26. Monitor annually, the scope of insurance policy coverage limits and policies for the protection of assets, resources and investments, including asset maintenance and integrity policies / programs: e.g. security, data integrity and business continuity.			●	
27. Monitor legal actions. If legal action is over \$500,000, must obtain approval from Board of Directors.		As required		

ACCOUNTING POLICY

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
28. Review and report to the Board of Directors any changes in accounting policies or significant transactions which impact the financial statements in a significant manner as per the annual Financial Statements.		As required		

INTERNAL CONTROLS

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
29. Monitor the effectiveness of the Corporation's system of internal controls to ensure compliance with accounting and financial reporting and policies (per the annual external audit management letter and the CEO / CFO certification).				●
30. Monitor the effectiveness of the Corporation's compliance with regulations and legislation (per the annual external audit management letter and the CEO / CFO certification).				●
31. Monitor CEO / CFO certification process and results.				●

INFORMATION TECHNOLOGY

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
32. On an annual basis, review and report to the Board key information technology issues as per the auditor's annual internal control reports and management letter (per the annual external audit management letter and the CEO / CFO certification).				●

MANAGEMENT PERFORMANCE

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
33. Provide annual input to the CEO on the performance of the CFO.			●	
34. Review the appointment or exit of the CFO.		As required		
35. Monitor the out of province travel expenses of the President and executives in order to ensure reasonableness and consistency with policies set by the Crown Investments Corporation (per the annual Report of Payments).				●

POLICY MONITORING AND REPORTING

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
36. Monitor Delegation of Authority policy as it relates to the responsibilities between the Board and the President per the Responsibility, Accountability and Authority Matrix.		As required		
37. Review the Corporation's report on material outstanding litigation and report to the Board.		As required		
38. Monitor policies for the safeguarding of assets as per the auditor's annual internal control reports and management letter.				●

OTHER DUTIES

COMMITTEE RESPONSIBILITIES AND DUTIES	Q1 AUG	Q2 NOV	Q3 FEB	Q4 MAY
39. Review other projects or developments as directed by the Board of Directors.		As required		
40. Review and recommend creation of subsidiaries.		As required		
41. a. Review and recommend dividend policy and revenue retention strategies.		As required		
b. Recommend to the Board the amount of the annual dividend (as per approval of the annual financial statements).				●
42. The Committee shall review and provide a written report to the Board annually respecting the discharge of its duties pursuant to the Terms of Reference.			●	
43. The Committee shall review, in conjunction with the Human Resources and Governance Committee, and report to the Board on the adequacy of the Committee's Terms of Reference and make amendments as required.				● Every Second Year

14.0

CORPORATE SECRETARY TERMS OF REFERENCE

14.1 OBJECTIVES AND PRINCIPAL DUTIES

The Corporate Secretary is the person who facilitates the effective functioning of the SOCO Board of Directors and its Committees by recording and conveying actions and directives of the Board / Committees, maintaining and safeguarding the confidentiality of official meeting minute books and completing special projects as required. The Corporate Secretary also prepares and distributes briefing materials and reports in order to advise and inform CIC management / staff, Board / Committee members and government officials regarding Crown board policies and decisions.

14.2 GUIDELINES FOR CORPORATE SECRETARY

The Corporate Secretary shall:

1. Deliver centralized confidential corporate secretarial and governance advisory services to the SOCO Board and Committees.
2. Attend all Board and Committee meetings.
3. Keep minutes of all meetings of the Board and all Committees (draft minutes to be forwarded to the Chair and Board within five business days for review).
4. Record all decisions and document the processes followed by the Board on issues discussed.
5. Keep records of the Board's official documents (minutes).
6. Upon request, sign and issue certified copies of all official documents and other documents.
7. Certify Board expense claims and forward to the Executive Assistant for approval and payment.
8. Act in accordance with the authority of the Boards including the code of conduct.
9. Promote corporate governance best practices through analysis, development, implementation and maintenance of complex Crown Board policies and procedures.
10. Serve as a vital information and communications link between the shareholder, Crowns, Crown Boards and government officials.
11. Perform all other duties and functions as may be assigned by resolution.

14.3 APPOINTMENT

The Corporate Secretary is an employee of CIC and is appointed by CIC.

The SOCO Board has the ability to request a change to the Corporate Secretary (if and when appropriate).

Where the Corporate Secretary is absent or unable to act, has not designated a replacement or the office of Corporate Secretary is vacant, the meeting Chair may appoint another person to act as meeting secretary for the purposes of that meeting.

15.0

PRESIDENT AND CEO TERMS OF REFERENCE

15.1 OBJECTIVES AND PRINCIPAL DUTIES

The position of President and Chief Executive Officer shall have the general and active direction and control of the business and the general conduct of the day to day management of the affairs of the Corporation and shall ensure that the decisions of the Board of Directors are implemented.

The President and CEO may delegate any power, duty or function which has been conferred under the Delegation of Authority.

The President and CEO shall report at least quarterly to the Board about SOCO operations, including regulatory developments, directions received from the Minister and their designates (if any), and any matter that relates to fulfilling statutory requirements of SOCO.

The CEO shall be invited to all regular and special meetings of the Board, including meetings of the Committees of the Board (except where the meeting has been designated as an in-camera meeting).

15.2 APPOINTMENT

The President and CEO of SOCO shall be appointed by the Lieutenant Governor in Council.

The President and CEO is the Chief Executive Officer of the Corporation and has supervision over and direction of the work and employees of the Corporation and may exercise the powers and shall perform the duties assigned by the Board of Directors.

In the event of the absence or incapacity of the President and CEO or a vacancy in that office, the Board of Directors may authorize an officer of the Corporation to act as President and CEO, but no person may act as President and CEO for a period exceeding 90 days without the approval of the Lieutenant Governor in Council.

15.3 CEO RESPONSIBILITIES

The President and CEO is responsible for the day to day operations of the Corporation, acting within approved Board policies and directives which are consistent with the priorities of the shareholder.

Consistent with the approved Terms of Reference for the President and CEO, the Board expects that the President and CEO will:

- Develop for recommendation to the Board a vision and mission for the Corporation and strategic plans, business plans and budgets to achieve the vision;
- Establish, prioritize and achieve Corporate strategies, goals and operational plans and performance indicators;
- Identify, prioritize and manage the principal risks to the Corporation;
- Approve items within the delegation of authority limits;
- Review and recommend to the Board any items over delegated authority limits or that are of a sensitive nature;
- Appoint, train, motivate, monitor and evaluate employees, and develop an effective succession plan;
- Propose and implement policies and processes to enable effective communication with the shareholder, stakeholders and the public;
- Design and implement policies and procedures to ensure the integrity of the Corporation's internal control and management information systems;
- Provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities;
- Establish and implement procedures to ensure statutory responsibilities are met, effective corporate compliance policies are implemented, and corporate documents and records are properly prepared, approved and maintained;
- Establish and ensure compliance with appropriate and effective policies and procedures to ensure that the Corporation operates at all times within applicable laws and regulations, and according to the highest ethical and moral standards; and
- Regularly report to the Board on progress in achieving the above tasks.

15.4 RENEWAL OF THE PRESIDENT AND CEO'S TERMS OF REFERENCE

In collaboration with the Human Resources and Governance Committee, the Board will annually review the performance and the effectiveness of the President and CEO in achieving the goals and strategic objectives of SOCO and will set goals and objectives for the coming year.

In collaboration with the Human Resources and Governance Committee, the Board will review these terms of reference every second year.

Consistent with these terms of reference, a position description has been developed by the Human Resources department.

16.0

DIRECTORS' CODE OF CONDUCT

The Directors' Code of Conduct can be found [here](#) and in the Resource Center in Diligent Boardbooks under CIC Relevant Policies.

17.0

PUBLIC INTEREST DISCLOSURE POLICY

The Innovation Place Public Interest Disclosure policy can be found [here](#) and in the Resource Center in Diligent Boardbooks under Innovation Place Policies.

18.0

RISK MANAGEMENT POLICY

The Innovation Place Risk Management policy can be found [here](#) and in the Resource Center in Diligent Boardbooks under Innovation Place Policies.

19.0

COMMUNICATIONS PROTOCOL

19.1 PRINCIPLES

1. The Minister and the President and CEO communicate on behalf of (and represent) SOCO.
2. The Chair communicates on behalf of (and represents) the Board of Directors of SOCO.
3. Individual Board Directors should refer all enquiries to the designated spokesperson, typically the Chair for Board matters and the CEO for all others.
4. The above deal with formal communications; individual Board Directors will inevitably and legitimately have informal communications with stakeholders; in all these cases it is incumbent on the Board Directors to be explicitly clear they are communicating in a personal capacity.

19.2 MAINTAINING BOARD CONFIDENCES

The aspect of confidentiality permeates any interaction a Board member may have with others, exclusive of fellow Board members. This would include other individuals, colleagues, governments or organizations.

All information about the Board or its activities should be presumed to be confidential. The business of the Board should not be discussed outside the boardroom.

Should an instance arise which prompts a Board member to have concern, it should be discussed with the Chair of the Board, at the earliest opportunity.

There may be instances when members are requested to participate in various other events by virtue of their association with SOCO. For these situations, such as a speaking engagement to a professional organization:

- the Board member should advise the Board Chair of the request;
- the request will be considered and vetted by the Chair;
- the Board member may be provided with generic speaking notes for the occasion;
- the Board member will make it clear they are not speaking on behalf of SOCO, but in a personal capacity; and
- the member will provide the Board Chair with a verbal debrief of the event.

19.3 MEDIA RELATIONS

The primary spokesperson for SOCO is the CEO who is the only person authorized to announce and respond to questions about SOCO's policies and programs. In certain circumstances, the Chair and / or Vice Chair of the Board may also speak on the CEO's behalf.

SOCO ensures that communications programs, including media relations, are managed within a corporate framework headed by the CEO.

In instances where the issues are high profile or contentious, the Chair or the President and CEO will ensure Board Members receive appropriate questions and answers, which provide the corporate position on an issue. Board Members will be provided with standard media lines for sudden media interest.

Board Members will be provided with a communications plan (when appropriate), following each Board meeting, with relevant speaking points.

Board members will refer any requests for media interviews to the CEO. In referring a reporter's enquiry these points should be remembered:

- media requests for information usually require a speedy response and should be handled on a priority basis;
- by referring the call to the CEO, Board members provide a signal as to the limit of their authority;
- if a call back is requested by the reporter, Board members should:
 - record the name of the reporter and telephone number
 - obtain the name of the publication / organization
 - establish the purpose of the call and any specific details
 - find out when the information is required; and
 - provide the information obtained on a priority basis to the CEO, or Chair of the Board; and
- be careful not to talk "off the record".

Occasions may arise from time to time whereby a Board member is approached, either in writing or otherwise, by an individual or organization requesting the assistance of a member in resolving an issue with SOCO. Under these circumstances the request should be directed to the CEO's office that will route the enquiry or request for appropriate action within SOCO.

20.0

DELEGATION OF AUTHORITY

The Innovation Place Delegation of Authority policy can be found [here](#) and in the Resource Center in Diligent Boardbooks under Innovation Place Policies.