



**BOARD OF DIRECTORS**

**TERMS OF REFERENCE**

**Approved by the Board of Directors**

**March 14, 2019**

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## **A. INTRODUCTION**

These Terms of Reference for the Board of Directors (Board) address the principal duties and responsibilities that the Board will discharge as an entity.

There is a corresponding document describing the principal duties and responsibilities of an individual Director.

## **B. OBJECTIVE AND PRINCIPAL DUTIES**

The Board functions as steward of the Corporation and has the statutory authority and obligation to govern the affairs and business of the Corporation.

While the fundamental objective of the Board is to act in the best interest of the Corporation, the Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance.

It is important to note that delegation of responsibility by the Board to a Committee does not absolve the full Board from responsibility for a Committee's work or decisions.

The Board Chair is *ex-officio* on all committees and may attend any meeting, as appropriate.

In discharging its obligations, the Board's principal duties are:

1. To provide leadership in setting the Corporation's vision and strategic direction;
2. To approve the Corporation's overall strategic plan, operating budget, performance indicators and the business plans established to achieve them;
3. Ensure that stakeholder concerns are considered in the establishment of the Corporation's long-term priorities;
4. To participate in identifying the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks and potential returns and to oversee the implementation of appropriate systems to manage the risks;
5. To review the measures and targets used in management's balanced scorecard, against shareholder priorities, industry trends, and macro socio-economic forces;
6. To evaluate and assess the Corporation's performance improvements in areas including but not limited to reliability, cost management, customer service, environmental stewardship, safety, workforce excellence, stakeholder relations against:

- a. Long-term targets,
  - b. Immediate operating pressures,
  - c. Changing regulatory requirements,
  - d. Changing industry dynamics;
  - e. Rate competitiveness
  - f. Management of leverage; and
  - g. Capital efficiency
7. To evaluate and assess the performance of the President and CEO, taking appropriate action as warranted, and to provide for effective succession planning;
  8. To adopt policies and processes to enable effective communication with the shareholder, stakeholders and the public;
  9. To ensure the integrity of the Corporation's internal control and management information systems;
  10. To develop practices to ensure that the Board functions independently of management;
  11. To identify, analyze and adopt if determined to be appropriate emerging governance best practices;
  12. Ensure that the interests of the Corporation is the first priority with respect to managing and declaring conflict of interests;
  13. To satisfy itself as to the integrity of the President and CEO, senior management and as to the culture of integrity throughout the Corporation;
  14. Receive recommendations for potential candidates to the Board and forward to the Crown Investments Corporation; and
  15. Review and approve the appointment of directors to the Boards of the Corporation's subsidiaries.
  16. Ensure that the Corporation reports on corporate responsibility.

### **C. 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 shall:

1. 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;
2. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
3. comply with the provisions of the *SaskPower Code of Conduct*, the *CIC Directors' Code of Conduct*, *The Crown Corporations Act, 1993*, and *The Power Corporation Act* as amended or replaced from time to time.

#### **D. CONSTITUTION**

The Board shall be comprised of not more than (12) members, who shall be appointed by the Lieutenant Governor in Council.

Each member of the Board shall continue to be a member of the Board until a successor is appointed.

Where a vacancy occurs at any time in the membership of the Board, it may be filled by the Lieutenant Governor in Council, and the Board may make recommendations respecting appropriate skill sets and individuals to fill the vacancy.

The Lieutenant Governor in Council shall designate a Chair from among the Board members and may designate another member as Vice Chair. If the Board Chair is not available to attend a meeting of the Board, the Vice Chair shall perform the duties and exercise the powers of the Chair. If both the Chair and the Vice Chair are not available to attend a meeting, when possible in advance of the meeting, the Board Chair will designate one of the Board member for the role of Acting Chair. If neither the Chair nor Vice-Chair are present for a meeting and no member is designated in advance, the Acting Chair of the meeting shall be chosen by the Board from among the members present. The Board will formally appoint the Acting Chair at the beginning of the meeting.

The Chair (including any Acting Chair) presiding at any meeting of the Board shall have a vote in all matters considered by the Board.

The Corporate Secretary to the Board, who need not be a director of the Corporation, shall be an employee of the Crown Investments Corporation (CIC).

#### **E. MEETINGS**

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

1. A quorum for meetings shall be 50% plus one (1) 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;
2. The Board shall meet a minimum of four (4) times a year;
3. The Chair shall, in conjunction with management, establish the agenda for the meeting;
4. Reasonable notice, shall be given in writing, by e-mail or by facsimile to each member of the Board and the agenda and associated material shall be sent to each member of the Board prior to the time for such meeting, preferably seven (7) days before the meeting;
5. A member may in any manner waive a notice of meeting, and attendance of a member at a meeting is a waiver of notice of the 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;
6. A meeting of the Board may be called by the Secretary of the Board on the direction of the Chair of the Board, the President and CEO or by any two (2) members of the Board;
7. The President and CEO or designate may be present at meetings of the Board; the Board shall at all times have the right to determine who, in addition to the President and CEO or designate, will be present at any part of the meetings of the Board. The Board shall conduct in-camera sessions as required;
8. A Board member will excuse herself/himself from any discussion about matters regarding which the director has a conflict of interest; and
9. A resolution circulated in writing (including by electronic means) and agreed to by signature (including electronic signature) by all members of the Board entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Board of Directors duly called and constituted.

## **F. MINUTES AND REPORTING RESPONSIBILITY**

1. All recommendations, decisions and directives of the Board shall be recorded by the Secretary in the minutes of the meeting.
2. A draft copy of the minutes of each meeting, as approved by the Board Chair, shall be circulated to the Board and the President and CEO prior to the next

following Board meeting. Following approval of the minutes of the meeting by the Board as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Board shall be circulated to the Board.

## **G. 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 duties of any committee it appoints.

The SaskPower Board establishes the following Committees of the Board:

1. Audit & Finance;
2. Governance & Human Resources; and
3. Safety, Environment & Corporate Responsibility.

The Board shall appoint the members of each Committee by resolution of the Board, and appoint a Chair of each Committee from among its members, all in accordance with the Committee's Terms of Reference.

## **H. MANAGEMENT RESPONSIBILITIES**

The Board discharges its obligations directly, through recommendations it receives from Committees of the Board and by delegating certain of its powers to officers and employees of the Corporation.

Management is responsible for the day-to-day operations of the Corporation, acting within approved Board policies and directives and consistent with the priorities of the shareholder.

In general terms, the Board expects that management will:

1. Develop a vision and philosophy for the Corporation with strategic and operational plans to achieve the vision;
2. Establish, prioritize and achieve corporate strategies, budgets, business plans and performance indicators;
3. Identify, prioritize and manage the principal risks to the Corporation;
4. Appoint, train, motivate, monitor and evaluate employees, and develop an effective succession plan;

5. Propose and implement policies and processes to enable effective communication with the shareholder, stakeholders and the public;
6. Design and implement policies and procedures to ensure the integrity of the Corporation's internal control and management information systems;
7. Provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities, including the reporting of information as required by, and in accordance with, the Governance Manual and other Board-approved policies and directives;
8. Establish and implement procedures to ensure statutory responsibilities are met, an effective corporate compliance program is in place, and corporate documents and records are properly prepared, approved and maintained; and
9. Ensure compliance with significant policies and procedures by which the Corporation is operated.

## **I. ACCESS TO CORPORATE RECORDS**

In performing any of its duties and responsibilities, the Board shall have access to any and all books and records of the Corporation required for the execution of the Board's obligations and, as necessary, shall discuss with appropriate corporate officers and employees such records and other relevant matters.

## **J. CONFIDENTIALITY**

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, shall be considered confidential.

Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records and information from improper access.

## **K. RENEWAL OF TERMS OF REFERENCE**

In conjunction with the Governance & Human Resources Committee, the Board shall review its Terms of Reference annually and make revisions where appropriate.

## **L. INTERNAL AND EXTERNAL ADVISORS**

If, in order to properly discharge its functions, duties and responsibilities, it is necessary, in the opinion of the Board, that the Board or any Committee of the Board obtain the



advice and counsel of internal or external advisors, the Board shall engage the necessary advisors.