



**BOARD
GOVERNANCE
POLICY**

Last Revision: December 2018

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GOVERNANCE FRAMEWORK AT A GLANCE

The Saskatchewan Pulse Crop Development Board – known as Saskatchewan Pulse Growers ('SPG') - is committed to the principles and practices of good governance. The Board of Directors is collectively responsible for directing and overseeing the work of SPG. In fulfilling these responsibilities, the **Board of Directors** provides **leadership, sets strategy** within the context of the Saskatchewan Pulse Crop Development Plan, **establishes policies and ensures compliance** with them, and **directs and oversees the work of the Executive Director**. The Board also ensures alignment between mandate, strategy and SPG's work, and monitors progress against desired results. The **Executive Director** has responsibility to manage the **business and operations** of SPG within Board-approved strategic plans, business plans and budgets, and is accountable to the Board of Directors for SPG's performance.

SPG is governed by a **7-member Board of Directors** elected by producers. The **Chairperson** is elected by the Board of Directors. The Board of Directors is subject to a **Code of Conduct** that addresses ethics and conflict of interest.

Fundamental to the role of the Board of Directors (the "Board") of SPG are the purposes of the Saskatchewan Pulse Crop Development Plan, which are set out in the *Pulse Crop Development Plan Regulations, 2014 (PCDPR, 2014)* as follows:

- a. The general purpose and intent of the plan is to develop the Saskatchewan pulse crop industry;
- b. Without limiting the generality of paragraph a., the specific purposes of the plan are:
 - i) To support research and development respecting pulses,
 - ii) To encourage production
 - iii) To promote market development respecting pulses, and
 - iv) To communicate with stakeholders.

Board Committees

The SPG Board of Directors has established 5 Board Committees: (1) Audit & Finance; (2) Research & Development; (3) Nominations; (4) Governance; and (5) Communications and Market Development.

Legal Framework

The Saskatchewan Pulse Crop Development Board is constituted under *The Agri-Food Act (2004)* and specifically pursuant to the Saskatchewan Pulse Crop Development Regulations.

Policy Framework

SPG's policy manual is organized into 4 sections:

- a. Mandate & Organizational Outcomes (mandate, strategic priorities, desired outcomes etc.)
- b. Governance Policies (policies that define the Board's role and work, and that of Officers and Board committees)

- c. Board – Executive Director Policies (policies that define the Board’s relationship and engagement with the Executive Director)
- d. Executive Expectations (policies that define the Board’s expectations of the Executive Director)

GOVERNANCE FRAMEWORK			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:		Last Reviewed Date:	December 6, 2018

MANDATE AND ORGANIZATION OUTCOMES

M-1. Legislative Authority

The Saskatchewan Pulse Crop Development Board is constituted under *The Agri-Food Act (2004)* and specifically pursuant to the Saskatchewan Pulse Crop Development Regulations, 2014, accessible through the links below:

<http://www.qp.gov.sk.ca/documents/English/Statutes/Statutes/A15-21.pdf>

<http://www.qp.gov.sk.ca/documents/English/Regulations/Regulations/A15-21R19.pdf>

M-2. SPG Mission and Vision

VISION

Nourish the World with Profitable Pulse Production.

MISSION

To provide leadership and create opportunities for profitable growth for the Saskatchewan pulse industry.

M-3. Mandate

Fundamental to the role of the Board of Directors (the “Board”) of SPG are the purposes of the Saskatchewan Pulse Crop Development Plan, which are set out in the *Pulse Crop Development Plan Regulations, 2014 (PCDPR, 2014)* as follows:

- a. The general purpose and intent of the plan is to develop the Saskatchewan pulse crop industry;
- b. Without limiting the generality of paragraph a., the specific purposes of the plan are:
 - i) To support research and development respecting pulses, including:
 - Advising governments on matters pertaining to pulse research and development; and
 - Conducting or encouraging research on the production, marketing and consumption of pulses;
 - ii) To encourage production and processing of pulses, including:
 - Developing procedures to maximize returns to producers; and
 - Encouraging the production of a high-quality product to meet market demands;
 - iii) To promote market development respecting pulses, including:
 - Assisting in the promotion and development of the pulse industry in the domestic and international marketplaces; and
 - Promoting increased consumption of pulses and pulse products; and

- iv) To communicate with stakeholders, including:
 - Gathering, compiling and distributing information related to the production, consumption and marketing of pulses;
 - Promoting and improving understanding among individuals and organizations within the pulse industry; and
 - Working in cooperation with any person who has objectives similar to those of the plan.

MANDATE AND ORGANIZATION OUTCOMES			
Authorized By:	Board	Effective Date:	
Last Revised Date:	December 6, 2018	Last Reviewed Date:	December 6, 2018

GOVERNANCE POLICIES

GP-1. Board Terms of Reference

Purpose: To provide the expectations of the Board in carrying out its mandate and the support that is provided to the Board in meeting those obligations.

1. Role of the Board

The role of the Board is to supervise the management of the business and affairs of SPG. The Board discharges its responsibilities by:

- Setting strategic objectives for SPG; and
- Developing expectations for the Executive Director to follow in carrying out the strategic objectives of SPG.

Without limiting the overall responsibility of the Board for the stewardship of SPG, the Board has the following specific responsibilities:

- a. Oversight of Management
 - i) The selection, appointment, evaluation, compensation and, if necessary, termination of employment of the Executive Director.
 - ii) Definition of the duties and the limits of authority of the Executive Director.
- b. Purposes of the Plan
 - i) Oversight of the strategic planning process of SPG, including adoption of periodic strategic plans and monitoring the performance of SPG against those plans.
 - ii) Approving capital and operating budgets that support SPG's abilities to meet its strategic objectives, and monitoring performance against those budgets.
 - iii) Oversight of the research programs funded by SPG.
 - iv) Periodically reviewing the appropriateness of the levy and the efforts of SPG toward the fair enforcement of payment of that levy.
 - v) Oversight of the fulfillment of the other purposes of SPG set out in the Mandate.
- c. Governance
 - i) Establishing appropriate corporate governance principles, including the relationship of the Board of Directors to the Executive Director.
 - ii) Taking reasonable steps to ensure that SPG has appropriate structures and procedures in place to permit the Board to effectively discharge its duties and responsibilities.

- iii) Establishing appropriate Committees of the Board and delegating appropriate authorities to those Committees.
 - iv) Periodically assessing the effectiveness of the Board, its Committees, and its Chair, the Chair of the Committees and individual directors.
 - v) Overseeing the establishment of an appropriate orientation program for new directors.
 - vi) Reviewing its terms of reference every three (3) years.
- d. Financial Reporting
- i) Recommending the auditors to be appointed at producers' meetings and filling any vacancy in the office of auditor.
 - ii) Approving the annual audited financial statements and annual report to producers.
- e. Communication
- i) Adopting policies and processes to enable effective communication with producers, government bodies, and other stakeholders.
 - ii) Calling meetings of producers and submitting to producers any question or matter requiring their approval.
 - iii) Produce and make available an annual report detailing the activities and financial results of the Board for the prior year.

2. Meetings

The Board will schedule at least five regular meetings annually, and as many additional meetings as necessary to carry out its duties effectively.

The Board will hold a special meeting at least once a year to specifically discuss strategic planning and strategic issues.

Meetings may be called by the Chair, or any two members of the Board.

Notice of the time and place of each meeting must be given to each director either by personal delivery, electronic mail, facsimile, or other means of communication not less than (3) days before the time of the meeting. Board meetings may be held at any time without such notice if all of the directors have waived or are deemed to have waived notice of the meeting. Any director may in any manner waive notice of a meeting. Attendance of a member at a meeting is a waiver of notice of a meeting, except where the director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

Questions arising in a meeting will be determined by a majority of votes cast on the question. In the case of an equality of votes, the Chair does not have a second or casting vote.

The Board shall maintain minutes of all meetings of the Board.

The Board shall at all times have the right to determine who may and may not be present at any part of the meetings of the Board. The Board shall conduct an *in camera* session, in the absence of management, at each in-person meeting of the Board.

3. *In Camera* policy

Purpose: The Board Terms of Reference set *in camera* meetings as a part of regular meetings. This policy further defines what discussions are suitable within an *in camera* meeting.

Currently accepted principles of good governance provide that all boards and committees should regularly hold scheduled *in camera* sessions for Directors only.

In camera sessions are sessions involving only members of the board. The Board or Committees may invite other individuals, including the Executive Director, for aspects of an *in camera* session.

Purpose of *in camera* sessions

The purpose of an *in camera* session is:

- to provide an opportunity for the Board to discuss particularly sensitive matters within the jurisdiction of the Board (such as litigation, employment issues, or management performance);
- to provide an opportunity for the Board to discuss sensitive internal Board governance matters;
- to provide an opportunity for the Board to review the performance and compensation of the Executive Director;
- to provide a forum in which Directors who are reticent or reluctant to speak may indicate this and seek advice on the appropriate way to raise issues of concern; and/or
- to safeguard the independence of external auditors by providing direct access to the Board or Committee without members of management in attendance.

Not all matters that individual Directors wish to raise are appropriate to discuss in an *in camera* session. *In camera* sessions are designed “to address specific sensitive matters that are better initially discussed without notes being taken, or without the harsh light of observers glaring.”¹ They are not designed as a forum to raise personal agendas or special interests, nor to alter a decision that has been presented by management and approved.

Records:

Board decisions should always be recorded in formal minutes in order to provide a legal record and audit trail. Separate notes taken by the chair or a Director do not constitute a legal record as

¹ “In Camera Sessions,” Brown Governance Newsletter, October 2009.

they are not approved, though they may be discoverable by opposition counsel in litigation. Directors, other than the chair, should not maintain personal notes of *in camera* sessions. If, as occasionally happens, it is necessary to record the notes and/or decisions from an *in camera* session, the Board Chair should record them, and a separate confidential *addendum* to the minutes which includes the *in camera* items should be approved and maintained.

4. Honoraria and Expenditure Policy

Purpose: To provide the details of remuneration paid to directors for their work with SPG.

1. Honoraria Claims & Additional Honoraria

Rates for honoraria are set by growers and can only be changed by resolution of the members.

a) Honoraria are paid to directors as follows:

- \$250 per day (four hours or more)
- \$125 per day (under four hours)
- \$80 per conference call

b) Additional Honoraria:

- Chair of SPG Board paid an additional 12 days/year;
- Vice Chair of the Board paid an additional 6 days/year;
- Chair of Pulse Canada paid an additional 12 days/year;
- Chair of any Board committee or related committee are paid an additional 3 days/year.

Chairs of SPG Board Committees include the following:

- SPG Audit & Finance Committee
- SPG R&D Committee
- SPG Nominations Committee
- SPG Governance Committee
- SPG Communications & Market Development Committee.

c) Preparation:

- Time spent on preparation is paid to directors as follows:
 - 1 day of time for preparation for Board meetings;
 - 1 day of time for preparation for Research & Development Committee meetings where 5 or more proposals are considered;
 - ½ day of time for preparation for Research & Development Committee meetings where less than 5 proposals are considered; and
 - ¼ day of time of preparation for Audit & Finance Committee meetings.
- Preparation time will not be paid where no materials are provided in advance of a meeting.
- A director can choose to not receive remuneration for preparation time by signing a form stating as such on an annual basis. Any Director that opts out of receiving

remuneration can opt back in at any time but will only be remunerated on a going forward basis from the time of opt-in.

2. Expense Reimbursements

Directors will be reimbursed for expenses incurred for approved Board business including, but not limited to, mileage, meals and airfare where applicable.

Reimbursements are determined as follows:

- Meals are reimbursed as an allowance;
- Mileage is reimbursed on a per kilometre basis;
- Airfare should be booked at economy fares; and
- Other expenses will be reimbursed based on actual expenses.

3. Monthly Allowances

Directors will receive a monthly communications allowance intended to cover the expenses Directors incur for phone, office supplies & internet as a result of doing SPG business. Rates are set by Board motion.

5. External Communications Policy

Purpose: To define parameters for external communications regarding SPG initiatives and grower concerns.

It is SPG's policy that the SPG Board of Directors adheres to communication policies and protocols.

SPG's public image is very important to our organization's success and should always reflect SPG's philosophy, mission, and values. In order to maintain this image, it is necessary to have consistent and professional communications with the media and stakeholders (i.e. growers, partners, government, etc.) regarding SPG's overall strategies, policy positions, plans, and activities.

Media Communications:

- 1) Media communications pertaining to the Board are managed through authorized media spokespersons on behalf of the Board:
 - a. Chair of the Board;
 - b. Executive Director; or
 - c. Another person designated by the Chair or Executive Director.
- 2) The Chair and Executive Director will divide the media responsibilities as follows:
 - The Chair is responsible for responding to media inquires related to Governance, Board policy, Elections, and other topics as determined.

- The Executive Director is responsible for responding to media inquiries related to SPG's programs and operations, general topics, and other topics as determined by Chair

All media releases are approved by the Executive Director and shared with the Board of Directors in advance of distribution to the media.

- 3) All media inquiries coming to SPG's office requiring a SPG response will be forwarded to the Communications Manager. The Communications Manager will coordinate with his/her supervisor to identify the appropriate spokesperson and arrange the logistics for the media interview.
- 4) If a Director receives an impromptu call directly from a media representative looking for SPG's response to an issue, they should direct the media to contact SPG's Communication Manager. The Director is not to respond directly to the media representative or become engaged in a conversation with the media representative without explicit direction from the Chair.

Stakeholder Communications:

- 1) Directors are ambassadors for SPG, and are encouraged to engage and connect with growers and external stakeholders in informal settings.
- 2) When representing SPG in informal conversation/discussion with growers and external stakeholders, Directors must represent the decisions and views of the board as a whole, not their own individual views and opinions.

6. Director Education and Board Development Policy

Purpose: SPG values ongoing professional development. This policy outlines how SPG supports continuing education and training for both the Board as a whole, as well as for individual Directors.

SPG believes in the professionalism of directors and recognizes the importance of ongoing director education as a means of strengthening the effectiveness of individual directors.

SPG believes that each Director is responsible for their ongoing director education and that the organization should support directors in their pursuit. The Executive Director, and Chair are available to make learning recommendations to Directors who believe they need to be better equipped in order to fulfill their responsibilities.

Ongoing director education includes both formal and informal learning opportunities.

Formal Director Education

SPG recognizes the value of formalized learning environments for directors such as classroom-based and online courses. As such, Directors are encouraged to seek out external formal learning opportunities.

Informal Director Education

SPG recognizes the value of informal learning achieved through such external sources as membership in relevant professional organizations, subscriptions to relevant journals and attendance at relevant seminars or conferences.

SPG shall support in the most cost-effective arrangement, memberships for each director in an organization committed to corporate governance and director professionalism.

Board Development

SPG and its Board recognize the value of group learning. Team-based development is intended to improve the Board's decision-making by providing equal information to all Directors on important subjects, enabling Directors to interact on key issues that can often be critical to pending decisions and reinforcing key issues the Board faces in the context of its role and responsibilities as a board.

SPG will establish a board development program annually. In developing this program, the Executive Director shall:

- Undertake a process of polling Directors as a means of identifying issues or topics for which Directors believe they need to update their skills and knowledge of the organization, its business and key executives and to address ongoing and emerging issues in the functional areas of the Board (i.e. corporate governance, audit, risk management, agronomy, research);
- Reflect upon key strategic directions of the organization, major decisions on the horizon, appropriate and significant risk management themes and the landscape within which SPG operates; and
- Provide annual updates to the Board on available formal and informal learning opportunities related to governance and other areas.

The board development program shall include:

- Regular presentations by management and staff to the Board and committees to educate them and keep them informed of changes within SPG and in the legal, regulatory and industry requirements and standards; and

- Drawing upon external resources where appropriate, including presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

7. Orientation Policy

Purpose: It is the responsibility of the Board to ensure that new Directors receive orientation to their role as a member of the Board.

Orientation

Orientation will take place as soon as is practical after being elected or appointed.

The orientation may include:

- Face to face session with the Executive Director, Board Chair, Senior management and other interested Directors. The depth of orientation will be determined by the Executive Director and Board Chair in consultation with the new Director(s) and depending on the background of the new Director(s);
- Introduction to the SPG and its programs;
- Overview of Governance Roles and Responsibilities;
- Overview of the Strategic Plan;
- Overview of Work Plans and the Financial Budget; and
- Highlights of key issues faced by SPG.

8. Outside Advisors

The Board has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

9. Annual Work plans

Purpose: The attached workplan approximates the annual work required of the Board. The work plan is not exhaustive – other items will form part of the work as well.

GOVERNANCE POLICIES: Board Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	December 6, 2018	Last Reviewed Date:	December 6, 2018