SASKATCHEWAN pulse Growers

BOARD GOVERNANCE POLICY

Last Revision: July 2024

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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 **9-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:	July 16,2024

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:

Agri-Food Act (2004),
https://canlii.ca/t/wcm*Saskatchewan Pulse Crop Development Regulations, 2014,*
http://www.qp.gov.sk.ca/documents/English/Regulations/Regulations/A15-21R19.pdf

M-2. SPG Mission and Vision

VISION

Sustainable pulses for profitable production.

MISSION

To provide leadership and create opportunities for profitable growth for Saskatchewan pulses.

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:	July 16, 2024	Last Reviewed Date:	July 16, 2024

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 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 every three years 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:
- $300 per day (four hours or more)
- $150 per half day or less (under four hours)

b) Additional Honoraria:
- Chair of SPG Board paid an additional 18 days/year;
- Vice Chair of the Board paid an additional 6 days/year;
- Chair of Pulse Canada, Soy Canada or Grain Growers of Canada paid an additional 18 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.

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 normally reimbursed as an allowance;
    - Meals may be reimbursed based on actual expenditures with receipts in situations where meal expenses exceed the allowance rate, are out of province, or multiple directors dine together and the meals are paid on one bill
- 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 on behalf of SPG 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 inquires 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 will be forwarded to the Communications Manager. The Communications Manager will coordinate with their 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 Communications 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.
- Individual directors may identify training that they feel would be useful to them. In these instances, information on the training should be provided to the Executive Director who will ensure that there is sufficient information for a decision by the Board. The Executive Director or the individual director seeking professional development will discuss the training with the Board who will provide approval.

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:	July 16, 2024	Last Reviewed Date:	July 16, 2024

Annual Work plans	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board of Directors												
Review quarterly financial results			✔		✔		✔					✔
Conduct performance assessment & objective setting with Executive Director							✔			✔		
Approve annual work plan							✔					
Approve annual budget							✔					
Approve annual audited financial statements												✔
Review work of Board committees	✔		✔			✔	✔			✔		✔
Elect Board executive and Pulse Canada Board members	✔											
Appoint Committee positions and external Board and Committee roles	✔											
Approve strategy & monitor progress							✔					
Monitor progress on strategy			✔				✔			✔		✔
Audit & Finance Committee												
Review of quarterly financial results, revenue projections & cash flow projections		✔		✔			✔				✔	
Review of annual budget and recommendation to Board							✔					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ensure CRA or other filings are completed		✔		✔			✔				✔	

Review audited financials, meet with auditor independent of management											✔	
Engage the auditor and approve the audit plan		✔										
Research and Development Committee												
Review new research proposals and recommend funding (as required)	✔			✔		✔				✔		
Review research outcomes (as required)	✔			✔		✔				✔		
Review, revise and approve R&D strategy	✔											
Recommend research priorities	✔											
Nominations Committee												
Review elections parameters and make updates where necessary				✔								
Recruit potential Directors to ensure an election occurs				✔	✔	✔	✔	✔	✔			
Governance Committee												
Review the governance framework on a biannual basis				✔								
Review composition of the Board				✔								
Assist and support the annual review process for evaluating Board effectiveness											✔	
Communications and Market Development Committee												
Review mid-year communication program reporting			✔									

Strategy input to communications activities for next fiscal year			✔									
Review and provide feedback on communications workplan for next fiscal year						✔						
End of year reporting on communications program										✔		
Review market development strategy and SPG-led market development workplans for Pulse Canada fiscal year (April 1-March 31)			✔									
Receive mid-year reporting on market development programs										✔		
Receive year end reporting on market development programs						✔						
Feedback on SPG budget allocation for communications and market development						✔						

GP-2. Board Chair Terms of Reference

Purpose: To define the key responsibilities of the Chair of the Board for SPG.

The Board Chair is responsible for the effective governance of the Board of Directors by:

1. Leadership

a. Ensuring that the responsibilities of the Board are well understood by both Board and management, and that the distinct roles of the Board and management are clearly understood and respected.
b. Encouraging the Board to work together in the spirit of collegiality at Board meetings, where penetrating questions and thorough discussions are encouraged, and to provide the leadership necessary to achieve this goal.
c. Ensuring that the duties of the Board are carried out in compliance with the terms of reference of the Board and that Committees of the Board fulfill the functions delegated to them by the Board in accordance with their terms of reference and any specific delegated duties.
d. Communicating with the Board to keep it up-to-date on major Board developments, including timely discussion of potential issues.
e. Ensuring that timely and relevant information and other resources are provided to the Board to support the work of the Board.

2. Meetings

a. Arranging for the scheduling and calling of Board meetings.
b. Setting the agenda of Board and producers' meetings in consultation with the Executive Director.
c. Presiding as Chair at all meetings of the Board and the producers.

3. Executive Director Liaison

a. Acting as a liaison between the Board and the Executive Director, including acting as an advisor to and sounding board for the Executive Director.
b. Leading the annual evaluation process for the Executive Director.
c. Communicating the results of in-camera meetings of the Board, as appropriate, to the Executive Director.

4. Committees

a. Recommending to the Board the appointment of directors to Committees of the Board.
b. Providing high level advice and guidance to Committee Chairs.

5. Public Spokesperson

a. Representing SPG to external stakeholders in relation to Board affairs, and in relation to other matters in conjunction with the Executive Director.

6. Other

a. To review and approve expense claims made by the Chair of the Audit and Finance Committee.
b. Carrying out such other duties and responsibilities as may be required of the Chair by the Board from time to time.

GOVERNANCE POLICIES: Board Chair Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	January 14, 2019	Last Reviewed Date:	July 16, 2024

GP-3. Board Vice Chair Terms of Reference

Purpose: To define the key responsibilities of the Vice Chair of the Board for SPG.

At the request of or in the absence of the Board Chair, the Board Vice Chair will assume the responsibilities of the Board Chair as required.

The Board Vice Chair will chair the Governance Committee of SPG.

The Board Vice Chair is to provide support to the Chair as required.

The Board Vice Chair will be available to individual directors for questions, counsel, and discussions relating to SPG and their role as a director.

The Board Vice Chair will mentor new directors and provide oversight and advice to ensure quality.

The Board Vice Chair will have those additional powers and duties as assigned by the Board Chair and the Board from time to time.

GOVERNANCE POLICIES: Board Vice Chair Terms of Reference			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

GP-4. Director Terms of Reference

Purpose: To define the key responsibilities for each director of the Board for SPG.

1. Duty of Directors

A Director has two primary duties:

a. to act honestly and in good faith with a view to the best interests of SPG (the fiduciary duty), and
b. to exercise the care, diligence and skill of a reasonably-prudent person in comparable circumstances (the duty of care).

It is inherent in the fiduciary duty that a Director must not act in the best interests of another entity, special interest group or constituency, or in the Director's own self-interest."

2. Director's Liability

Directors should keep in mind that they are not personally liable for any debt, liability, obligation, act or default of SPG, unless some other principle of law applies to impose personal liability. Those other principles may be a specific statute, such as the *Income Tax Act* or the *Excise Tax Act*, which makes directors of a corporation personally liable for unpaid withholdings on employees' wages and unremitted GST. Personal liability may arise if a director expressly provides their guarantee, for example, of a bank loan. Also, if a director breaches one of their duties under the law, including those duties discussed in the Code of Conduct, personal liability could follow.

3. Performance Standards

Directors are responsible to:

a. Act with integrity in their capacity as Directors;
b. Respect confidentiality of all information provided to them as Directors, including written material, information provided by electronic mail, and information provided orally, whether in person, by phone or otherwise;
c. Disclose conflicts of interest promptly when they arise, whether by written notification to the Chair between meetings or in person (recorded in the minutes) at a meeting;
d. Apply the director's ability, experience, knowledge and understanding to matters brought to the Board;
e. Bring to the attention of the Executive Director or the Board Chair any matter which the director believes may have a significant effect on SPG;
f. Be available as a resource to management and the Board;
g. Attend meetings well prepared, having completed background reading;
h. Maintain an excellent meeting attendance record. The target is 100% attendance; attendance at less than 80% of Board meetings in a year would create significant concern;

i. Participate fully and frankly in deliberations and discussions of the Board in a respectful manner that encourages free and open discussion in Board meetings;
j. Respect the role of the Board Chair;
k. Abide by Roberts Rules of Order (or such other rules of order as may be adopted by the Board) at Board and Committee meetings;
l. Focus inquiries on issues related to strategy, policy and results, rather than issues related to the day-to-day management of SPG;
m. Participate in Committees as assigned and become knowledgeable about the purpose and goals of each Board Committee;
n. Recognizing that decisions can best be made by well-informed directors, become generally knowledgeable about the pulse industry, including, emerging market trends and significant developments;
o. Between Board meetings, be engaged with the activities and affairs of SPG, following the same principles of inclusiveness and respect as apply during Board meetings;
p. Demonstrate financial literacy;
q. Participate in director orientation and development programs sponsored by SPG from time to time;
r. Support SPG at special events by attendance, and participation as requested by the Chair or Executive Director;
s. Maintain an understanding of the duties and roles of a director and the legislative and regulatory environment within which SPG operates.

4. Directors Skills Matrix

Purpose: The purpose of the Director Skills Matrix is to provide some context for new and potential directors of the skills required to be a director of SPG.

DIRECTORS PROFILE MATRIX **BOARD SIZE: 9**		
Skill / EXPERIENCE / CHARACTERISTIC	**Description**	**Desired number of directors having skill**
General		
Analytical and Critical Thinking	Individual having the ability to think analytically and critically, to evaluate different options, proposals and arguments and make sound decisions.	all
Inter-personal Communications	Individual having the ability to effectively communicate their ideas, positions, and perspective to their peers, as well as understand the ideas, position, and perspective of their peers and facilitate resolutions of differences in the common interest.	all
Creative and Strategic Vision/Planning	Individual having the ability to envision and define future goals and objectives that provide improved benefits for the groups and individuals on whose behalf SPG acts. (For example, experience with strategic planning, performance measurement, business planning etc.)	all
Governance Expertise	Understanding and experience with the appropriate roles, group processes and corporate bylaws and policies that form systems of not for profit governance. Demonstrated judgment and integrity in an oversight role. Experience serving on a not-for-profit Board or governance committee and/or senior level experience working with other Boards.	all

Commitment to mandate	Demonstrate a strong understanding and commitment to SPG's mandate.	all
Specific		
Geographic Diversity	The ideal construction of the Board would see Directors from each region of the province to aid in developing strategies to ensure all areas of the province are supported in growing Pulses in Saskatchewan.	Whole Board
Types of Pulse Crops	Peas, Lentils, Chickpeas, Faba beans, Soybeans, Other	1 or more in each crop
Diversity	The ideal constitution of the Board would see gender and age diversity amongst the elected Board.	Whole Board

GOVERNANCE POLICIES: Director Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	December 8, 2022	Last Reviewed Date:	July 16, 2024

GP-5. Director Elections

Purpose: To provide additional guidance for Director elections beyond the election regulations.

The Board is comprised of producers elected by producers. The process for the election of directors is generally outlined in ***The Pulse Crop Development Plan Regulations, 2014 (PCDPR, 2014) Part VII s25 to s34.*** The following policy provides additional guidance beyond these regulations.

Eligible Producers

To be elected to the SPG Board, producers must meet eligibility requirements as set out in the PCDPR, 2014.

Where an individual is producing and selling grain through a corporation or partnership, additional information may be required to ascertain the appointment of a designated representative. An artificial entity may be required to provide reasonable evidence of its existence and of the relationship of the designated representative to that entity. In the case of an incorporated entity such as a corporation or a cooperative, this would include a copy of the profile report issued by the Corporate Registry on the filing of the most recent annual return. For a partnership, it may include a copy of the business name registration filed with the Corporations Branch respecting the partnership name, a copy of the partnership agreement, or other evidence reasonably satisfactory to SPG as to the existence of the partnership.

Nomination Process

In a year when a vacancy will arise on the Board, the Board will appoint a Nominations Committee, consisting of Directors who are not running for re-election in that year. The Nominations Committee will have the responsibilities set out in its terms of reference.

When a vacancy will arise, SPG will call for nominations from eligible producers.

Election Timing

When the number of nominated producers exceeds the number of vacancies, an election will occur. As the normal term of office begins following the Annual General Meeting in January, elections are normally scheduled to end on the last Friday of November in the year before the vacancy will arise. However, these dates vary as SPG tries to coordinate election timing with other crop commissions where possible. The Board will set the election period based on these dates to allow producers sufficient time to vote in the election.

Election Platform

The Board will determine the platform for the election (including electronic options) by reviewing its election process on a regular basis.

GOVERNANCE POLICIES: Director Election Process			
Authorized By:	Board of Directors	Effective Date:	
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

GP-6. Internal Election Process

Purpose: To provide the process for internal Board positions elected on an annual basis.

On an annual basis, SPG Directors will elect the following Board positions:

- Chair
- Vice Chair

The terms of the Chair and Vice Chair are for one year, beginning at the end of the SPG annual general meeting in January.

All SPG Directors, including incoming Directors that will be serving on the SPG Board for the upcoming year (January to January), are eligible to vote, nominate, and be nominated. Retiring Directors are not eligible to vote, nominate or be nominated.

Eligible Directors must be present to vote and nominate, however an eligible Director does not need to be present to be nominated to a position.

Where applicable, nominations and voting are carried out in a manner that protects confidentiality of the process. These processes can be carried out using paper ballots or digital technology as long as confidentiality is preserved.

There is no proxy voting.

Elections for these positions are held prior to the AGM in order to allow an announcement to be made at the AGM.

The positions will be filled in the following order:

- Chair
- Vice Chair

The procedure for the election of the Chair is:

1) If the outgoing Board Chair is retiring from the Board, they will continue to run the meeting. Otherwise, the Board Chair turns the meeting over to the Executive Director.
2) Nomination for Board Chair is by secret ballot only.
3) The meeting Chair calls for nominations. Eligible Directors may nominate only one candidate.
4) SPG staff will report the nominees.
5) If there is more than one nominee, the Chair of the meeting asks the nominees to speak. A nominee has the right to decline a nomination.
6) If more than one nominee accepts the nomination, an election is required.
7) Election for Board Chair is by secret ballot only. Eligible Directors may vote for only one candidate.
8) Votes are tallied by SPG staff who report on who has received the most votes.
9) Ties are decided by the drawing of lots.

10) The term of the new board Chair begins at the end of the AGM.
11) The outgoing Board Chair resumes control of the meeting (if the Executive Director has been acting as Chair).
12) The outgoing Board Chair calls for nominations for Vice Chair, following the same procedure used to elect the Chair.

GOVERNANCE POLICIES: Internal Election Process			
Authorized By:	Board	Effective Date:	
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

GP-7. Elections and Appointments to External Boards and Committees

Purpose: To define the process for external Board and Committee appointments

On an annual basis, SPG Directors will fill seats on a number of external Boards and Committees at its earliest opportunity. Vacancies may arise during the year; these will be filled at the discretion of the Board using the same process.

Selection of Pulse Canada Board Members

SPG Directors will elect Board members for Pulse Canada each year to serve a term of approximately one year, with the Directors officially taking office when a Pulse Canada resolution appointing those Directors is passed and after previous directors have resigned.

All SPG Directors, including incoming Directors that will be serving on the SPG Board for the upcoming year (January to January), are eligible to vote, nominate, and be nominated. Retiring Directors are not eligible to vote, nominate or be nominated.

Eligible Directors must be present to vote and nominate, however an eligible Director does not need to be present to be nominated to a position.

There is no proxy voting.

The process for electing the representatives will be the same as the process for electing the Chair and Vice Chair of SPG – see **GP-6 Internal Election Process**.

Once complete, any changes in Pulse Canada representatives should be reflected to Pulse Canada to take effect as soon as possible thereafter.

Selection for all other external Board and Committee Positions

The Board will nominate and appoint all other external appointments by Board motion.

Remuneration for External Board and Committee Positions

If an external Committee or Board covers honoraria and/or travel expenses, Directors should utilize those resources and submit appropriate reporting for reimbursement. In cases where organizations do not pay all of a SPG Director's expenses and honoraria, SPG will pay honoraria and travel expenses not covered by the other organization based on SPG expense policies.

Expectations for Directors on External Boards and Committees

General Expectations for all External Appointments

a. The Director is expected to carry out their duties as a Board or committee member of the Entity in accordance with law, and to act honestly and in good faith with a view to the best interests of

the Entity, and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

b. While carrying out their duties as a Board or committee member pursuant to an External Appointment, the Director will, subject to confidentiality requirements, report, in writing, to the Board any activities of, or developments with, the Entity that relate to or may affect SPG or the Pulse Industry.

c. The Director shall not disclose confidential SPG information to the Entity without the consent of SPG.
d. Where decisions are made by the Board that would impact the Entity, the Executive Director is authorized to notify the Entity as soon as possible after the decision is taken in order to ensure Directors are not in conflict of their role with both organizations.
e. In carrying out their role in an External Appointment, the Director shall:
    i. Regularly attend meetings of the Board of the Entity and relevant committees of such Board;
    ii. Prepare for board meetings and relevant committee meetings by reviewing agenda materials, including reports;
    iii. Carefully review minutes of meetings of the Board and committees of the Board;
    iv. Be sufficiently informed of the nature of the Entity's operations and on matters coming before the Board or committee;
    v. Avoid any real, potential or apparent conflict of interest;
    vi. Ensure a briefing occurs when the position goes to another director.

Expectations Specific to Board Appointments:

Directors appointed to an External Board have an obligation to support the interests of that organization. Should any potential or actual conflicts arise, Directors might be able to manage these conflicts with the help of the policies in place; the conflict of interest policies of both organizations must be respected.

Wherever possible any SPG Director sitting as a Chair/Vice Chair of SPG appointed to an external Board should not undertake the role of Chair or Vice Chair with that external Board. The SPG Board, through resolution, can provide approval to a SPG Chair/Vice Chair looking to hold such a role on an external Board, in advance of the position being accepted, where it is deemed appropriate by the SPG Board.

Expectations Specific to Committee Appointments:

Directors are appointed to external committees to represent the views of SPG. In this circumstance, a Director is expected to:

- Represent SPG's position, if any, to that body;
- Participate in its discussions with the view to representing the interests of SPG and its members;
- Report to SPG on deliberations of the body and where appropriate seek advice on policy positions to be adopted.

GOVERNANCE POLICIES: Elections and Appointments to External Board and Committees			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

GP-8. Appointments to Internal Committees

Purpose: To define the process for internal Committee appointments

On an annual basis, SPG directors will fill director seats on its internal Committees at its earliest opportunity.

Some Committees may include external Committee members that are not directors of SPG. External appointments for SPG Committees will be for an indefinite period of time unless otherwise specified by the Board.

Board has the right to evaluate the performance of Committee members and remove Committee members if necessary.

Vacancies may arise during the year; these will be filled at the discretion of the Board using the same process.

Selection of Director seats:

Directors will be appointed by the Board to fill director seats of internal Committees until all vacancies are filled.

Selection of non-Director Committee representatives:

Where a Committee includes Committee members that are not Directors, the Board will appoint those Committee members based on the needs of the committee. In most cases, where a vacancy exists, the Committee should determine its needs and seek out an appropriate member for the Board's approval.

GOVERNANCE POLICIES: Appointments to Internal Committees			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:		Last Reviewed Date:	July 16, 2024

GP-9. Director Code of Conduct

1. Purpose and Objective

The purpose of this policy is to provide guidance to directors on the conduct required by law or expected by SPG of them in the fulfillment of their duties as directors of SPG. These guidelines do not override the requirements of the law, and if there is any inconsistency between them and the applicable law, the applicable law governs.

SPG has the ability to set and collect levies, which puts it in a unique position in relation to pulse producers. High standards are expected of the directors of all corporations, but SPG's ability to "tax" producers means that its directors must be particularly mindful of the public perception of their actions. Accordingly, Directors must:

- Conduct themselves with integrity;
- Be courteous and fair in all internal and external dealings where the Director's behavior or actions might reflect on SPG;
- Honor confidentiality obligations;
- Handle conflicts of interests appropriately and carefully.

The guidelines are not intended to be exhaustive. If issues outside the explicit guidelines arise, they should be addressed in accordance with the general principles set out in this document, or through the exercise of sound business and ethical judgment. If you are unsure of the proper action in a particular situation, you should seek the advice of the Board Chair.

2. Role of the Board

SPG's basic duty is to administer the Saskatchewan Pulse Crop Development Plan. This duty is found in the Board Terms of Reference (GP-1), Pulse Crop Development Plan Regulations and in *The Agri-Food Act,* (2004).

3. Oversight of Executive Director

The Board carries out its duties by hiring an Executive Director (ED), who in turn is responsible for the operation of SPG and all of the other staff. Accordingly, a very significant obligation of the Board is to oversee the ED. That role, however, is an oversight role; the Board does not become involved in the day-to-day operations of SPG. The ED is accountable to the Board through the Board Chair. Directors must take care, both acting as individuals and in decision-making as a board, to respect the dividing line between the authority of the Board (which is largely in relation to oversight and strategic level issues) and the authority of ED (who is responsible for the operations of SPG).

4. Fiduciary Duties

SPG is a corporate entity established under The Agri-Food Act and the Pulse Crop Development Plan Regulations. The fiduciary duties of the directors of Saskatchewan Pulse Crop Development

Board are stated in section 2-39(1)(a) of *The Legislation Act*, which states:

"All officers and directors of a Corporation, in exercising their powers and in performing their duties, shall… act honestly and in good faith with a view to the best interests of the Corporation…".

This general duty leads to a number of other specific principles.

5. Corporate Opportunities

Directors must not take personal advantage of, or divert to their own benefit, commercial opportunities they learn about in the course of carrying out their duties as a director.

A director must not engage in any financial transactions, contracts, or private arrangements for personal profit, which accrue from or are based upon the director's fiduciary position or authority, or upon confidential or non-public information the director gains by reason of such position or authority.

6. Duty to Protect Confidential Information

Directors must maintain the confidentiality of information received by them in their capacity as directors. Information which is confidential, proprietary to the Board or non-public must not be divulged to anyone other than persons who are authorized to receive the information. This includes information provided to the board in printed, electronic and verbal format, and board discussions.

7. Duty to Avoid Conflict of Interest

As a fiduciary of SPG, directors must avoid any conflict of interest, or the appearance of a conflict, between their own personal interests (or the interests of any associate) and the interests of SPG. Directors must attempt to avoid not only actual conflict, but the potential for conflict or perceptions of conflict. An "associate" includes close family members of the director, or companies in which the director or close family members have a material interest, including being a director of officer of that other company.

Dealing with Conflict of Interest

The existence or the perception of a conflict of interest does not imply wrongdoing on anyone's part. It means the conflict must be disclosed and eliminated or managed. A first step in avoiding or responding to a conflict of interest is to disclose the interest, either in writing to the Board, or entered into the minutes of a meeting of directors. Potential or actual conflicts that

exist at the time a Director joins the Board should be declared to the Board in writing immediately beginning a term and reaffirmed annually. Any conflicts or the removal of conflicts that may occur during a Director's term should also be disclosed at the time they become known. The disclosure must include the nature and the extent of the interest.
Failure to disclose a conflict that is later discovered is considered non-compliance with this policy.

During a Board meeting, all conflicts that have been previously disclosed should be clarified as to where they impact the agenda prior to agenda items being discussed. All Directors should clarify their conflicts and follow the procedures included in the policy. If a Director is aware of a disclosed conflict of interest which may be held by another Director that has not been addressed during the meeting, the concern should be raised immediately during the meeting to be addressed by the Board.

Where a conflict of interest or a perceived conflict of interest exists, the conflicted director will:

- Disclose/reiterate the conflict of interest
- Leave the meeting during the discussion of the matter; and
- Abstain from voting on the matter.

Process where a conflict of interest is raised outside a board meeting

- If a conflict of interest or potential conflict of interest is suspected, a Director should notify the Board Chair immediately;
- Once notified, the Board Chair will notify the potentially conflicted Director of the concern and collect information about the concerns raised;
- The Board Chair will collect any other information as may be required, including consulting with outside advisors if necessary, and present the information to all other Directors for review to determine whether a conflict of interest or potential conflict of interest exists;
- All Directors, except for the potentially conflicted Director, are entitled to vote on the decision to determine whether or not a conflict of interest exists.
- In instances where a vote is required, the decision of the Board should be detailed in writing to the affected Director.

Conflict of Interest Not Disclosed

If a Director is aware of a conflict of interest which may be held by another Director that has not been previously declared, they should raise their concern with the Board Chair as soon as possible. The Board Chair will follow the same approach noted above for dealing with the conflict and ensure a board meeting is called within 30 days of the concern being raised to review the matter.

Conflicts of interest involving the Board Chair would be addressed by the Vice Chair.

Examples of conflict or potential conflict include but are not limited to:

- A Director has an ownership interest in a company that is currently involved in a project with SPG that would require Board approval.
- A Director has an ownership interest in a company that is being considered for a project with SPG that would require Board approval.
- A Director is aware that an "associate" that works for a company and is involved in a decision-making role that is being considered for a project or other work with SPG.

Examples that would not constitute a conflict or potential conflict include but are not limited to:

- A Director holds shares in a company that is currently involved in a project with SPG through a mutual fund investment.
- A Director voting on a motion that has broad beneficial implications for all pulse growers in Saskatchewan even if they would personally benefit from such a motion.
- A Director that accepts a gift as a result of that Director's own farming or other business-activities from a company with which SPG has no business dealings.

If the Board is considering a matter where a conflict of interest, or a perceived conflict of interest, exists, the conflicted director will:

- Disclose the conflict of interest
- Leave the meeting during the discussion of the matter; and
- Abstain from voting on the matter.

All information regarding conflicts determined during a meeting should be recorded within the minutes.

The fact that an SPG director serves on another board shall not necessarily create a conflict of interest nor a perceived conflict of interest for that director. In cases where the interests of SPG and the other organization are aligned, no conflict of interest will be deemed to exist. If the director determines that the interests of SPG and the other organization may not be aligned or a real or perceived conflict of interest exists, the director shall manage that conflict as outlined above. See also **GP-7 Elections and Appointments to External Boards and Committees** for additional discussion of expectations for Directors serving on external Boards.

Director Contracts with SPG

To avoid any perception of conflict of interest or favoritism, a director of SPG, an entity controlled by a director or close family members of a director shall not enter into contracts for paid work with SPG, directly or indirectly, while a Board Member of SPG and for at least two years after the end of their term(s) on the Board except in exceptional and unique circumstances with approval from the Board.

8. Board Solidarity

Individuals who serve on the Board of a corporation must support the decisions of the Board in their public statements and actions. This arises from the nature of decision-making in a corporation. The Board of SPG is a group. Board decisions are decisions of the group. If an individual director disagrees with the decision of the Board, that disagreement may be voiced within the board room, but not outside. If a director is unable to reconcile the Board's decision with the director's own personal beliefs, the director's only option is to resign. However, even after a resignation, the director must not publicly disagree with a decision that occurred while the director was a member of the Board.

9. Election

No director will actively campaign in an SPG election outside of campaigning for themselves. Neither the SPG Board, nor its directors will endorse candidates in an election.

10. Duty of Care

Section 2-39(1)(b) of *The Legislation Act* speaks to the director's duty of care to the Corporation. It states that every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

11. Care

In fulfilling the duty of care, directors have a responsibility to ensure that systems are in place to provide directors with the information they need to make informed decisions, and that Board decisions are sound and made pursuant to proper procedures. The Board should at all times have in place appropriate structures and procedures to enable it to exercise objective judgment on corporate affairs, independent of management.

The law deems the directors to have complied with the standard of care imposed on them if they rely in good faith on:

- Financial statements of SPG represented by an officer, or in a written report of the auditor, to reflect fairly the financial position of SPG, and
- Reports by lawyers, accountants, engineers, appraisers or others whose position or profession lends credibility to their statement.

12. Diligence

Directors must be diligent in carrying out their duties as a director of SPG. This means, among other things:

- Attending meetings;

- Preparing for meetings by thoroughly reviewing material provided for the meeting; and
- Participating in board discussion.

13. Skill

Directors are expected to bring the particular background, skills, knowledge and experience they possess to the deliberations of the Board. This includes any special expertise that a director may have. Thus, by way of example, a director who is an accountant would be expected to bring that knowledge to bear when analyzing financial statements of SPG.

14. Other Laws

Section 2-39(1)(c) *The Legislation Act,* also specifically states that a director must "comply with the enactment by or pursuant to which the corporation is governed". In the case of SPG this means *The Agri-Food Act* (2004) and the Pulse Crop Development Plan Regulations.

Other legislation will impose obligations on SPG. Examples include human rights legislation and environmental protection legislation. Directors must be satisfied that management has implemented appropriate processes to ensure that SPG complies with such legislation.

15. Ethical Guidelines

In fulfilling their duties and obligations, directors should adhere to the following guidelines:

a. Preferential Treatment

Directors must not act in their official role to assist organizations or persons in their dealings with SPG if this may result in preferential treatment to that organization or person or may be perceived by others as resulting in preferential treatment.

b. Corporate Property

Directors must not use corporate property or services to pursue their private interests or the interests of an associate. Corporate property includes real and tangible items such as equipment and intangible items such as reports, information, proprietary rights, patents, trademarks, copyrights, logos, name and reputation.

c. Gifts, Benefits and Entertainment

Directors must not solicit or accept benefits, entertainment or gifts in exchange for, or as a condition of the exercise of, their duties or as an inducement for performing an act associated with the director's duties or responsibilities with the Board.

Directors may accept gifts, hospitality or other benefits associated with their official duties and responsibilities if such gifts, hospitality or other benefits:

- Are within the bounds of propriety, a normal expression of courtesy or within the normal standards of hospitality.
- Would not raise questions about the director's objectivity and impartiality; and do not compromise the integrity of the Board.

An improper gift or benefit should be returned to the person offering it as soon as possible. If there is no opportunity to return an improper gift or benefit, or where the return may be perceived as offensive for cultural or other reasons, the gift or benefit must be disclosed and turned over to the Board to make a suitable disposition of the item.

16. Public Comment

The Board Chair and the ED are the spokespersons for SPG and should be the only persons to make official public comments for SPG, unless alternate arrangements are approved by the Board Chair or ED in special cases. Directors may, however, speak on general issues, including related to pulse crops, not specifically related to SPG, where SPG is not mentioned in the discussion or interview.

Directors should not make public comments which are likely to bring SPG into disrepute or adversely affect its activities.

17. Social Media

Although Directors are free to express themselves using personal accounts, this should be done in a manner which reflects the fact that Directors of SPG have a responsibility to represent SPG and its members. Directors should keep in mind that members and the general public may have difficulty separating Directors' personal comments with their role as an SPG director. Therefore, sound judgement and professionalism in social media use by Director is expected in order to maintain a positive image of SPG.

Messages posted to personal accounts by Directors of SPG should be consistent with the SPG's Code of Conduct particularly the sections on Board Solidarity and Public Comment. Posting messages that run counter to the Code of Conduct will be dealt with on a case-by-case basis.

Any Director who is writing about the undertakings of SPG must use some variation of a disclaimer stating that the views expressed are those of the writer and should not be inferred as those of Saskatchewan Pulse Growers.

18. Eligibility to Serve on the Board

Directors recognize and acknowledge that eligibility to serve as a director on the Board is defined in Pulse Crop Development Plan Regulations and that a Director would be ineligible to

continue to serve as a board member if they are no longer a registered producer, by not paying SPG levy in three consecutive SPG fiscal years. Directors acknowledge that their term on the Board would end at the conclusion of the third consecutive fiscal year in which the Director did not sell pulses and pay levy.

19. Post Service Reminders

When a director leaves the Board, SPG will provide a written reminder of the director's responsibility not to make use of confidential information or take improper advantage of knowledge gained due to the director's previous position with the Board.

20. Potential Breach of Code of Conduct

If the Board becomes aware of a potential breach of the code of conduct or other Governance Policies by any Director, the Board will investigate the breach to determine the severity of the breach. All decisions regarding a breach must have approval of 75% of the remaining Directors to go into effect.

Process where a potential breach of the Code of Conduct exists

- If a potential breach of the Code of Conduct is suspected, a Director should notify the Board Chair immediately;
- Once notified, the Board Chair will notify the Director against whom the concerns have been addressed of the concern and collect information about the concerns raised;
- The Board Chair will collect any other information as may be required, including consulting with outside advisors if necessary, and present the information to all Directors of the Board for review to determine whether a breach of the Code of Conduct exists;
- The Board Chair will also collect information, including consulting with outside advisors if necessary, on the appropriate actions the Board could consider if it determines a breach of the Code of Conduct has occurred based on the perceived severity of the potential breach.
- All Directors are entitled to vote on the decision to determine breach of the Code of Conduct.
- If a breach of the of the Code of Conduct is determined to have occurred, the Board is responsible to determine what actions it will take in relation to the severity of the breach.
- In instances where a vote is required, the decision and resulting actions of the Board should be detailed in writing to the affected Director.

GOVERNANCE POLICIES: Director Code of Conduct			
Authorized By:	Board	Effective Date:	
Last Revised Date:	November 22, 2023	Last Reviewed Date:	July 16, 2024

ANNUAL CODE OF CONDUCT AND CONFLICT OF INTEREST DECLARATION

Name: _____

Calendar Year of Declaration: _____

Conflict of Interest Disclosure Form

The SPG Code of Conduct should be read prior to completing this form. This form is intended for disclosures of conflict of interest whether real, perceived or potential.

Describe any Financial or Personal Interest(s) and Conflict of Interest Situation(s): (Attach additional pages if necessary)

a. List corporations where you are a Director and firms or partnerships where you are a member;

b. List corporations and firms or partnerships in which you have a material interest (if not already listed under a. above); and

c. Describe any other situation which may cause another person to think a conflict of interest on your part exists.]

The completed form and any additional pages must be submitted to the Executive Director for review by the Board.

Any changes to conflicts of interest should be updated with a revised form as soon as possible.

Acknowledgement of the Code of Conduct and Conflict of Interest Guidelines

I acknowledge that I have received a copy of SPG's Board Governance Policy, which includes the Code of Conduct (the Code), that I have read the Code and Governance Policies and that I understand them. I will comply with the Code and Governance Policies.

I hereby confirm that the conflict of interest disclosures made above are complete and correct to the best of my information and belief. I shall not be participating in the discussion and decision making of this (these) matter(s). I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the conflict of interest policy, I will notify the Board chair immediately.

If I have breached the Code or Governance Policies of the board of SPG, I will resign and comply with the Board's decision upon the request of the Board.

_____ _____

(Date) (Signature of Director)

_____

(Printed Name)

COMMITTEES OF THE BOARD

GP-10. Guidelines for All Board Committees

Purpose: To provide information on the expectations of the Committees created by the Board to carry out responsibilities of the Board on behalf of the Board.

1. Role of the Committee

The terms of reference for each Board Committee define the role of the particular Committee. Ad hoc committees have the role set out in the Board resolution creating the Committee.

The Committee considers and makes recommendations to the Board on topics within its terms of reference. The Board is, however, not bound by recommendations of the Committee. The Committee shall have the right to make decisions on matters where that authority is specifically granted to the Committee in the terms of reference for the Committee or by resolution of the Board.

Each Committee will review its own terms of reference every three (3) years, and recommend any proposed changes to the Board for approval.

Each Committee will report the results of its deliberations to the Board at the next following Board meeting.

2. Membership

Each Committee shall be composed of a minimum of three (3) Directors.

The members of the Committee and the Chair of the Committee shall be appointed by the Board.

3. Committee Meetings

A Committee's meeting schedule will be determined by its Chair and members based on the Committee's terms of reference and any work plan adopted by the Committee.

A meeting of the Committee may be called by any member, the Chair of the Board, or the Executive Director of SPG.

Notice of the time and place of every meeting shall be given at least seventy-two (72) hours prior to the time fixed for the meeting. Any member may in any manner waive notice of a meeting. Attendance of a member at a meeting is a waiver of notice of the meeting, except where the member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

The Chair of the Committee will chair all Committee meetings. Committees may request the Board to appoint a Vice Chair of the Committee, to fulfill the functions of the Chair in the absence or inability of the Chair. If no Vice Chair has been appointed and the Chair of the Committee is not present at any meeting of the Committee, the Committee members present may choose one of their number to chair that meeting of the Committee.

A quorum for the transaction of business at a Committee meeting will be a majority of the members of the Committee.

A Committee member may participate in a Committee meeting by telephone or other electronic communications method which permits all individuals participating in the meeting to communicate with each other. A member so participating in a Committee meeting is deemed to be present at the meeting.

Questions arising at a meeting will be determined by a majority of votes cast on the question.

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

The Committee shall at all times have the right to determine who may and may not be present at any part of the meetings of the Committee. Committees are encouraged to regularly conduct *in-camera* sessions consistent with the *in-camera* policy (GP-1.3).

GOVERNANCE POLICIES: Guidelines for all Board Committees			
Authorized By:	Board	Effective Date:	
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

GP-11. Audit and Finance Committee Terms of Reference

The **purpose** of the Audit and Finance Committee is to fulfill the oversight role prescribed by the applicable law in connection with the audit of the financial statements of SPG, and to assist the Board by receiving reports and making recommendations to the Board on matters respecting the financial performance, and the oversight of the financial reporting, of SPG.

1. Roles and Responsibilities

The Audit and Finance Committee will:

a. Financial Performance
   i) Monitor the performance of SPG throughout the year against the annual budget approved by the Board for that year.
   ii) Review the quarterly financial statements of SPG for each fiscal quarter, prior to recommending those quarterly financial statements to the Board for approval.

b. Internal Control
   i) Receive reports on the internal control system of SPG and oversee the implementation of appropriate internal controls and improvements in internal controls.
   ii) Review any control weaknesses identified by the external auditors and oversee steps of management to address those internal control weaknesses.

c. Audit
   i) Recommend to the Board, for board recommendation to the registered producers, the appointment of auditors for SPG.
   ii) Review with the auditors, and approve, the audit plan for the year.
   iii) Approve the auditor's engagement letter, including the audit fee.
   iv) Meet with the auditor in the absence of management to discuss the annual financial statements and the auditor's report.
   v) Review the reports of the auditors on the financial statements of SPG and SPG's compliance with the law, prior to recommendation of those financial statements to the Board for approval.
   vi) Review and recommend to the Board for approval the financial content of SPG's annual report.
   vii) Periodically assess the performance of the external auditor.

d. Accounting Policies
   i) Review the appropriateness of accounting policies and financial practices used by SPG.
   ii) Review any significant proposed changes in accounting policies and financial practices and recommend those to the Board for approval.

e. Investment Policies
   i) Review the investment policies of SPG at least annually and recommend any changes to the Board.

f. Other
   i) Carry out any other responsibilities related to the above or assigned by the Board.

2. Membership

The Committee will be composed of three (3) SPG directors. When making appointments to the Audit and Finance Committee, the Board will endeavour to appoint Directors who are financially literate. Neither the Chair nor Vice chair of the Board shall be Chair of the Audit and Finance Committee.

3. Meetings

The Committee shall meet at least four (4) times each year, coincident with the review of the quarterly financial statements of SPG.

4. Authority

a. The Audit & Finance Committee has the authority to enter into the engagement letter with the Auditor and approve the audit plan.
b. The Chair of the Audit and Finance Committee is responsible to review and approve expense claims made by the Executive Director and all Directors except their own claim which is reviewed and approved by the Board Chair.
c. The Audit & Finance Committee will present all other decisions of the Committee to the Board as recommendations.

GOVERNANCE POLICIES: Audit and Finance Committee Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

GP-12. R & D Committee Terms of Reference

The **purpose** of the R & D (Research and Development) Committee is to assist the Board in fulfilling its obligations by providing a focus on the research projects undertaken and proposed to be undertaken by others for the benefit of SPG and its producers.

1. Roles and Responsibilities

The R&D Committee will:

a. Recommend research priorities to the Board including targeted research outcomes and key indicators of success;
b. Utilize, as appropriate, expert reviewers to review technical aspects of proposals related to their own field of expertise;
c. Review research funding proposals received by SPG and make recommendations to the Board on the proposals that ought to be funded and the amount of funding to be provided; and
d. Receive reports from management of SPG on the progress of research projects funded by SPG.

2. Committee Membership

The R & D Committee will be composed of:

a. A minimum of three (3) members of the Board, one of whom will be appointed to be the Chair of the Committee;
b. Up to four (4) individuals who are not members of the Board.

In addition to the members of the Committee, the Executive Director, the Director of Research & Development and the Research Project Manager(s) of SPG are expected to be in attendance at all Committee meetings, except for the *in camera* sessions of those meetings.

3. Meetings

The Committee shall meet at least once per year.

4. Authority

The R&D Committee has no authority to act independently of the Board and will provide all decisions to the Board as recommendations.

GOVERNANCE POLICIES: Research & Development Committee Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	December 6, 2018	Last Reviewed Date:	July 16, 2024

GP-13. Nominations Committee Terms of Reference

The **purpose** of the Nominations Committee is to assist the Board by identifying and recruiting appropriate candidates, with the skills, background, knowledge and diversity desired by the board, to fill upcoming vacant positions on the Board with the goal of ensuring there are enough qualified candidates to hold an election each year.

1. Roles and Responsibilities

The Nominations Committee will:

a. Ensure an open and transparent nominations and elections process, including the timely and clear communication of the requirements for and commitments to the position of Director.
b. Recommend to the Board the skills and experience desired of directors serving on the Board that would be used to guide the recruitment of candidates.
c. Solicit nominations in a timely fashion through various means, including: increasing general awareness about the call for nominations, to ensure that all eligible levy payers are given the opportunity to put their name forward as a candidate.
d. For information and transparency, report to the Board whether nominations have been received or are expected to be received that meet the skills and experience identified by the board.
e. Review the Board's nomination and election policies and make recommendations for change where warranted.
f. Carry out any other responsibilities assigned by the board.

2. Committee Membership

The Committee will be composed of three (3) eligible directors. Eligible directors are SPG Directors who are either not up for re-election in that election year or who have indicated in writing to the Board Chair that they will be retiring from the Board at the end of their current term.

3. Meetings

The Committee shall meet at least once per year.

4. Authority

The Nominations Committee has no authority to act independently of the Board and will provide all decisions to the Board as recommendations.

GOVERNANCE POLICIES: Nominations Committee Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

GP-14. Governance Committee Terms of Reference

The **purpose** of the Governance Committee is to ensure the Board has an effective governance framework and the Board is effective in carrying out its responsibilities.

1. Roles and Responsibilities

The Governance Committee will:

a. At least every two years, review the governance framework for SPG and advise the Board of any recommended changes;
b. Ensure appropriate structures and procedures are in place to allow the Board to function effectively;
c. Annually review the composition of the Board and recommend, if necessary, changes to the Board Skills Matrix;
d. Ensure programs are in place for new director orientation and ongoing professional development;
e. Assist and support the annual review processes for evaluating the effectiveness of the Board, the Board Chair, Committees and individual directors;
f. Periodically review and assess SPG's communications to stakeholders with respect to its policies and practices in the area of corporate governance, including the communication contained on SPG's internal and external websites;
g. Address Code of Conduct issues as delegated to the Committee by the Board;
h. Grievances
   i. Respond to grievances brought forward to the Chair of the Governance Committee by employees where, in the employee's view, a policy of the Board has been violated to the detriment of that employee (employee grievance); and
   ii. Respond to any grievances brought forward regarding the violation of a policy of the Board (includes whistleblower);
i. To provide oversight of and input to management on SPG's policy and advocacy work;
j. Assume other related responsibilities as assigned by the Board.

2. Membership

The Committee will be composed of four (4) eligible directors. The Vice Chair of the Board will chair the Governance Committee. When making appointments to the Governance Committee, the Board will endeavour to appoint Board members who are knowledgeable in governance.

3. Meetings

The Committee shall meet at least one (1) time each year.

4. Authority

a. The Governance Committee has no authority to act independently of the Board and will provide all decisions to the Board as recommendations.
b. The Governance Committee has the authority to seek legal or other professional advice and enlist external administrative assistance, if necessary, to support its grievance role when the

usual internal administrative support is not available due to a potential conflict of interest. Before proceeding with seeking external assistance, the committee will inform the full Board and ensure the anticipated costs are affordable.

GOVERNANCE POLICIES: Governance Committee Terms of Reference			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:	October 29, 2026	Last Reviewed Date:	July 16, 2024

GP-15. Communications and Market Development Committee Terms of Reference

The **purpose** of the Communications and Market Development Committee is to assist the Board in fulfilling its obligations by ensuring SPG has effective strategies in place for communications and market development.

1. Roles and Responsibilities

The Communications and Market Development Committee will:

a. Review and recommend communications and market development strategies in relation to SPG's strategic plan.
b. Review and recommend annual SPG-led communications and market development work plans.
c. Receive updates on progress and results of communications and market development projects.
d. Review and provide feedback on national market development work plans developed in collaboration with others.
e. Conduct an annual review of the committee's activity and performance.

2. Membership

The Committee will be composed of three (3) SPG directors. When making appointments to the Communications and Market Development Committee, the Board will endeavour to appoint Board members who are knowledgeable in communications and market development.

3. Meetings

The Committee shall meet at least two (2) times each year.

4. Authority

The Communications and Market Development Committee has no authority to act independently of the Board and will provide all decisions to the Board as recommendations.

GOVERNANCE POLICIES: Communication and Market Development Committee Terms of Reference			
Authorized By:	Board	Effective Date:	March 12, 2019
Last Revised Date:		Last Reviewed Date:	July 16, 2024

GP-16. Committee Chairs Terms of Reference

Purpose: To define the key expectations of Committee Chairs in carrying out their responsibilities.

1. Roles and Responsibilities

The Committee Chair is responsible for the effective operations of the Committee by:

Leadership

a. Ensuring that the responsibilities of the Committee are well understood by both the Committee members and management.
b. Acting as a liaison between the Committee and the Board Chair and the Board of Directors as a whole.
c. Ensuring that the duties of the Committee are carried out in compliance with its Terms of Reference.

Meetings

a. Arranging for the scheduling and calling of Committee meetings, in conjunction with the Executive Director and the Board Chair, with a view to having the Committee meet as often as is required to carry out its responsibilities, and at least as often as the minimum meeting schedule prescribed in the Committee Terms of Reference.
b. Approving the agenda of Committee meetings in consultation with the Executive Director and, as necessary, the Board Chair.
c. Presiding as Chair at all meetings of the Committee.

Reporting

a. Reporting to the Board on the results of the deliberations of the Committee

Other

a. Carrying out such other duties and responsibilities as may be required of the Committee Chair from time to time, including any other specific duties prescribed by the Committee Terms of Reference.

GOVERNANCE POLICIES: Committee Chairs Terms of Reference			
Authorized By:	Board	Effective Date:	
Last Revised Date:	December 6, 2018	Last Reviewed Date:	July 16, 2024

RISK MANAGEMENT

GP-17. Risk Assessment

Purpose: To specify the framework that SPG will use for identifying and managing its risks.

SPG shall engage in a formal risk assessment process annually along with its overall business planning.

The Executive Director is responsible to the board of directors for implementation of the risk management process, and is ultimately responsible to ensure that risks are assessed and managed appropriately.

All senior managers are responsible for participating in the risk assessment process to identify risks and implement such actions as are required as a result of that process.

"**Risk**" means the possibility of a negative or adverse outcome, and the magnitude or severity of the consequences of that outcome.

The Executive Director will submit to the Board annually a review of the principal risks of the business, for their discussion and commentary. This will be done in conjunction with the annual business plan, and will be submitted no later than two months before the fiscal year-end.

Risk Assessment Process

(a) The Executive Director and senior managers must:
   (i) Ensure that a process is in place to identify and assess risks in the business.
   (ii) Ensure that a risk management program is designed to manage risks.
   (iii) Implement the risk management program.
   (iv) Ensure that information is shared across SPG as appropriate to manage risks.
   (v) Report to the Board of Directors from time to time, at least annually, on the implementation of the risk management program.

(b) SPG will ensure that risk assessment is an integral part of planning and business decision.

GOVERNANCE POLICIES: Risk Assessment			
Authorized By:	Board	Effective Date:	March 15, 2018
Last Revised Date:	December 6, 2018	Last Reviewed Date:	July 16, 2024

GP-18. Risk Management

Purpose: To specify the framework that SPG will use for managing its risks.

SPG shall take appropriate steps to manage its risks in a manner consistent with organizational strategy.

The Executive Director is responsible to the board of directors for implementation of the risk management process, and is responsible for ensuring that risks are managed appropriately.

All senior managers are responsible for ensuring that all appropriate and cost-effective steps are taken to minimize or control identifiable risks.

"**Risk**" means the possibility of a negative or adverse outcome, and the magnitude or severity of the consequences of that outcome.

Risk Management Process

(a) The Executive Director will annually review the risk management program and ensure that it is updated as required.

(b) The Executive Director will report to the Board annually on the implementation of the risk management program.

(c) The Executive Director will ensure that risk management forms an integral part of planning and business decisions.

Risk Management Procedures

(a) SPG will use best practices in risk management to manage risks, subject to the requirement that the practices be cost-effective.

(b) Best practices include the following:

(i) Leadership by senior management
(ii) Culture that makes everyone a risk manager
(iii) Open channels of communication throughout SPG
(iv) Corporate risk management function
(v) Involvement of internal audit
(vi) Use of modelling tools where appropriate
(vii) Use of identification and assessment techniques
(viii) Training of employees
(ix) Effective reporting and feedback to measure performance

(c) SPG will ensure that risk management is an integral part of planning and business decisions.

(d) SPG will use a structured risk management program so that if an adverse event occurs, disruption to operations, cost, damage to the environment, and harm to people or property will be minimized.

(e) SPG will use insurance cover to supplement its risk management practices.

GOVERNANCE POLICIES: Risk Management			
Authorized By:	Board	Effective Date:	March 15, 2018
Last Revised Date:	December 6, 2018	Last Reviewed Date:	July 16, 2024

EVALUATION PROCESSES

GP-19. Board Evaluation Process

Purpose: Board and Committee evaluations are an important aspect of successful execution of strategy.

The Board Chair has responsibility to ensure the Board evaluation process is completed annually.

1. The following evaluations will be carried out on an annual basis:
   - Board and Board Chair Evaluation
   - Committee Evaluation
   - Individual Director Self-Assessment
2. The process to be followed for evaluations other than the individual director self-assessment is:
   a. In October of each year, the Executive Director will send the appropriate evaluation forms to each Director.
   b. The Directors will complete those forms and return them to the designated recipient (as set out in c. below) within the time period set out in the cover memo, which will be no shorter than two weeks from the date of delivery to the directors.
   c. The recipient for the evaluations will be:
      i) For the Board chair evaluation, the Vice Chair,
      ii) For all other evaluations, the Board chair.
   d. The recipient will, on a confidential basis, collate the results of the evaluations and deliver those results to:
      i) In the case of the Board or Board Chair evaluation, the Board,
      ii) In the case of a Committee evaluation, the Committee.
3. The individual director self-assessment form will be sent to each Director within the time described in 2(a) above. The Board Chair will meet individually with each Director to review the self-assessment form with that Director. Those reviews will ideally be completed no later than November 15th and any recommendations to the Board as a whole for improvements to Board or Committee processes will be provided to the Board at its January meeting.

GOVERNANCE POLICIES: Board Evaluation Process			
Authorized By:	Board	Effective Date:	
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

BOARD – EXECUTIVE DIRECTOR RELATIONSHIP POLICIES

BED-1. Role and Accountability of the Executive Director

Purpose of the Policy: To define the role of the Executive Director within SPG.

1.1 Appointment

The Board appoints the Executive Director on terms and conditions it considers appropriate. The Executive Director reports to, and is accountable to, the Board. The Executive Director is not a member of the Board but participates fully with the Board in regular meetings (except for the *in-camera* portions of the meeting or if otherwise requested by the Board to retire from the meeting).

1.2 Board and Executive Director Relationship

SPG believes in a clear distinction between governance and strategy (a Board role) and management (a staff role).

In keeping with this distinction, the Board operates as though it has one employee, the Executive Director. The Board Chair, as set out in the Board policies or on the direction of the Board of Directors through written resolution or otherwise, acts as a liaison between the Board and the Executive Director, including acting as an advisor and sounding board for the Executive Director.

The Executive Director is responsible for the activities of SPG staff; no individual member of the Board may direct the activities of SPG staff.

1.3 Role

The Executive Director serves as the chief executive officer of SPG, having overall responsibility to the Board for the day-to-day management of, and control over, the businesses, activities and other affairs of SPG. The Executive Director does this by leading and managing SPG through the development and implementation of strategies and policies, the management of its human resources, and efficient and effective operations.

1.4 Duties and Responsibilities

The Executive Director has responsibility to:

a) Be accountable to the Board for all activities of SPG;
b) Support the Board Chair and the Board to carry out the Board's governance responsibilities, including policy setting;
c) Lead and manage SPG within the parameters established by the Board and its committees;
d) Develop, implement and maintain programs, policies and procedures within any guidelines and the strategic and business plans adopted by the Board;
e) Establish and maintain key working relationships between SPG, the government of Saskatchewan and the Federal Government;

f) Direct and monitor SPG's operations in a manner that ensures the assets of SPG are safeguarded and optimized;
g) Develop and recommend SPG's business plans to the Board and successfully implement corresponding operational plans, capital plans and other supporting initiatives within approved budgets;
h) Champion execution of the strategic plan;
i) Foster an organizational culture that promotes ethical and safe practices and encourages individual integrity and social responsibility; and
j) Ensure compliance with the Agri-Food Act (2004), Saskatchewan Pulse Crop Development Regulations, the Board policies, and the operational policies and practices set by SPG.

1.4.1 Reporting

The Executive Director reports to the Board on:

a. The achievement of operational goals;
b. Material issues that may affect SPG's ability to achieve the objectives set out in SPG's strategic and business plans;
c. SPG's compliance with all legal requirements;
d. Staff compensation, including salary, incentives and benefits is within levels approved by the Board; and
e. Any proposed material changes to the organizational structure.

1.4.2 Decision Making

a) The Executive Director uses reasonable discretion when implementing policies and programs provided that day-to-day management decisions are consistent with the approved policies as determined by the Board.
b) The Executive Director is authorized to operate within the limitations outlined in the Executive Expectations section.
c) The Executive Director may within defined limits, delegate responsibilities related to program management and administration to managers and staff as deemed appropriate.

1.4.3 Approval Authority

a) The Executive Director operates under the Executive Expectations established by the Board for the levels of authority on expenditures against the annual budgets and capital plans set out in the business plan.
b) Responsibilities and authorities delegated to the Executive Director shall be explicitly outlined in policies, or through written correspondence, position description, minutes of meetings, or through Board motion.
c) Assigned responsibilities and authority delegated to the Executive Director will remain in effect until amended or revoked in writing by the Board of Directors.

1.5 Compensation

The Board fixes the Executive Director's compensation on an annual basis.

BOARD-EXECUTIVE DIRECTOR RELATIONSHIP POLICIES: Role and Accountability of the Executive Director			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:		Last Reviewed Date:	July 16, 2024

EXECUTIVE EXPECTATIONS

EE-1. Global Executive Expectations

1. The Executive Director shall promote organizational practices, activities, decisions and/ or circumstances, which are:
   a. Legal;
   b. Prudent;
   c. Ethical; or
   d. In accordance with the Agri-Food Act and/or the Pulse Crop Development Plan Regulations;

EXECUTIVE EXPECTATIONS: Global Executive Constraint			
Authorized By:	Board	Effective Date:	October 15, 2012
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16,2024

EE-2. Treatment of Staff

With respect to treatment of paid and volunteer staff, the Executive Director shall cause and allow conditions which are fair, dignified, organized and clear.

1. The Executive Director will:
   a. Operate with written personnel procedures that clarify rules for staff and volunteers;
   b. Operate with position descriptions that form the basis of performance expectations for staff, volunteers and committees;
   c. Ensure staff or volunteers are prepared to deal with emergency situations;
   d. Ensure staff or volunteers are familiar with their rights and protections under this policy:
   e. Provide policies to prevent workers and volunteers from exposure to harassment or discrimination;
   f. Adhere to Occupational Health and Safety legislation;
   g. Allow any staff member to provide non-disruptive expression of dissent.
   h. Ensure that staff are informed of the performance standards by which they will be assessed;
   i. Provide for effective handling of grievances;
   j. Allow staff to appeal to the Board when:
      i) Internal grievance procedures have been exhausted; and
      ii) The employee alleges that Board policy has been violated to the employee's detriment;
   k. Establish and inform staff of mechanisms to appeal decisions of the ED to the Board of Directors.

EXECUTIVE EXPECTATIONS: Treatment of Staff			
Authorized By:	Board	Effective Date:	October 15, 2012
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

EE-3. Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants, contract workers, and volunteers, the Executive Director will ensure SPG operates with fiscal integrity and a positive public image.

1. The Executive Director will:
    a. Not change the Executive Director's own compensation and benefits as set by the Board;
    b. Establish current compensation and benefits that are materially consistent with the geographic or professional market for the skills employed; and
    c. Ensure compensation obligations are sustainable with respect to future projected levy revenues.

EXECUTIVE EXPECTATIONS: Compensation and Benefits			
Authorized By:	Board	Effective Date:	October 15, 2012
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

EE-4. Financial Planning

1. The Executive Director will ensure that budgeting for any fiscal year or the remaining part of any fiscal year is:
   a. Consistent materially with the board's strategic priorities;
   b. Free from financial jeopardy;
   c. Consistent with an annual or multi-year plan; and
   d. Part of a conservative approach when projecting revenues.

2. The Executive Director will ensure that budgeting:
   a. Avoids those situations or conditions described as unacceptable in the Executive Expectations policy entitled "Financial Condition & Activities" (EE-5);
   b. Incorporates:
      - Credible projection of revenues and expenses;
      - Separation of capital and operational items;
      - Cash flow analysis;
      - Disclosure of planning assumptions, including, but not limited to, an overview of project plans by area; and
      - A listing of budgeted individual purchase commitments, not yet approved by the Board, that:
        - Are in excess of $100K for the following budget areas: Board of Directors, Management and Administration, Communications, Market Development, Variety Commercialization, Market Access and Research and Development;
        - Are in excess of $25K for capital purchases;
        - Are out of the ordinary course of business;
        - May materially affect the direction or financial result of SPG;
        - Are to acquire, encumber or dispose of real estate; or
        - Are commitments with Pulse Canada or for policy projects.

EXECUTIVE EXPECTATIONS: Financial Planning			
Authorized By:	Board	Effective Date:	July 23, 2015
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

EE-5. Financial Condition and Activities

1. With respect to ongoing financial condition and activities, the Executive Director will ensure:
   a. Conditions leading to financial jeopardy are avoided;
   b. Actual expenditures are consistent with the Board's strategic priorities; and
   c. The following of accounting practices that are in accordance with generally accepted accounting practices.

2. The Executive Director will ensure:
   a. Reserves and related restricted funds are administered in accordance with the Reserves policy (EE-8);
   b. Payroll and debts are handled in a timely manner;
   c. Tax payments and or other government ordered payments or filings are completed on a timely basis and accurately filed;
   d. Funds are received, processed or spent with appropriate controls that, at minimum, meet the appointed auditor's standards;
   e. That approval of the Board of Directors[2] is obtained before authorizing a single purchase commitment, that:
      - Is out of the ordinary course of business;
      - May materially affect the direction or financial results of SPG;
      - Is over $100K, or, in the case of a research and development project[3] is over $50K for a new project or over $25K for an adjustment to existing R&D purchase commitments, including projects that require multi-year commitments;
      - That causes any one of the total annual operating budget areas[4] to be exceeded by more than 10% or $100K; or
      - That causes the total operating budget to be exceeded by more than $200K[5]
      - That causes the total capital budget to be exceeded by more than $25K; or
      - Is to acquire, encumber or dispose of real estate.

   f. That approval of the Board of Directors is obtained before authorizing purchase commitments for future fiscal years where the budget has yet to be approved where cumulative expenditures would exceed $100K and the program would not be consistent with the current strategic priorities of the Board.

[2] Note that variances from amounts approved by the board due to foreign currency fluctuations are not subject to the above limitations.
[3] A research and development project, in the normal course of business, would be assigned a research project number and managed by a research project manager.
[4] Budget areas include: Board of Directors, Management and Administration, Market Access, Communications, Market Development, Variety Commercialization, Research and Development, and Capital
[5] Note that this limitation does not include additional commitments already approved by the Board following annual budget approval.

EXECUTIVE EXPECTATIONS: Financial Condition and Activities			
Authorized By:	Board	Effective Date:	March 17, 2016
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

EE-6. Asset Protection

The Executive Director will ensure that corporate assets are protected, adequately maintained and or not unnecessarily risked.

1. The Executive Director will:
   a. Ensure SPG assets are insured against theft, fire and casualty losses to a prudent replacement value and against liability losses;
   b. Ensure property, information or files is protected against unauthorized use, loss or significant damage, improper wear and tear or insufficient maintenance;
   c. Within reason, work to protect SPG, its board, or staff from claims of liability;
   d. Ensure that funds are received, processed or disbursed under controls that are sufficient to meet the external auditor's standards;
   e. Uphold SPG's name and its identity in the community;
   f. Uphold SPG's public image, credibility, and its ability to accomplish its goals; or
   g. Invest within the limits established in the Investment policy.

EXECUTIVE EXPECTATIONS: Asset Protection			
Authorized By:	Board	Effective Date:	January 19, 2016
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

EE-7. Investment Policy

Purpose: To set parameters for SPG investment of excess funds.

- All investments will be within the following benchmark limits:
  a. Investment grade (as defined by any of Dominion Bond Rating Service, the Canadian Bond Rating Service or Moody Standard and Poor's) Canadian dollar denominated debt instruments and blue-chip equities as defined below:
     i. Fixed Income
        - Government of Canada bonds, notes, debentures and other obligations unconditionally guaranteed by the Federal Government of Canada;
        - Provincial bonds, notes, debentures and other obligations unconditionally guaranteed by the provincial governments of Canada;
        - Guaranteed Investment Certificates issued by Canadian chartered banks and trust companies;
        - Debt issued by corporations organized under laws of Canada or any province carrying an investment grade* with a minimum credit rating of BBB (investment grade*);

     ii. Cash and Cash Equivalents
        - Government of Canada and provincial treasury bills;
        - Banker's Acceptances (Canadian);
        - Investment grade* commercial paper issued by Canadian corporations;
        - Cash deposits held by a Canadian Chartered Bank.

     iii. Equities
        - Canadian companies listed on the S&P/TSX Composite Index, and SPG will be invested in diversified portfolios managed by a minimum two and maximum four Canadian equity investment managers.

**Investment grade – As defined by any of Dominion Bond Rating Service (DBRS), the Canadian Bond Rating Service (CBRS) or Moody' Standard and Poors (S&P).*

Investment-grade bonds are securities with the safest balance sheets and given relatively good ratings from the credit rating agencies.

*** Schedule I banks are domestic banks and trust companies that are authorized under the Bank Act to accept deposits, which are eligible for deposit insurance provided by the Canada Deposit and Insurance Corporation.*

Schedule 1 Canadian Chartered Banks include: Royal Bank of Canada, Toronto Dominion, Canadian Imperial Bank of Commerce, Bank of Montreal, Scotia Bank, National Bank, Canadian Western Bank and Laurentian Bank

- All investments shall be completed within the following benchmark ranges:
  i. 70 to 90% - Fixed Income;
  ii. 0 to 20% - Cash and Cash Equivalents;
  iii. 0 to 10% - Equities;
  iv. No more than 20% of total market value of the portfolio – Corporate Debt; or
  v. No more than 2.5% of total market value of the portfolio - in any one corporate debt issue;
  vi. Exposure to any one non-Schedule 1** GIC issuers will not exceed 2.5% of the portfolio value.

- It is expected that a strategy of diversification will be used, when appropriate, to minimize investment risk within the total portfolio.

- Investments should be reviewed regularly to determine actions required when a security held by SPG falls below the investment grade.

- The Audit and Finance Committee will be provided with a semi-annual report from the Investment Advisor, as of February 28 and August 31, indicating any recommendations for rebalancing of the portfolio, and an annual policy compliance report from the Investment Advisor, as of August 31, including any recommendation for changes to the policy should the objectives and timeframe for investments change.

EXECUTIVE EXPECTATIONS: Investment Policy			
Authorized By:	Board	Effective Date:	December 6, 2018
Last Revised Date:		Last Reviewed Date:	July 16, 204

EE-8. Reserves

Purpose and Objective

The purpose of this policy for SPG to build and maintain an adequate level of restricted and unrestricted net assets to support SPG's day-to-day operations.

This policy provides guidance in the following areas:

- The purpose of each reserve
- When to access each reserve
- How to access each reserve
- How to calculate each reserve
- How often the reserve is reviewed
- How to fund the reserve
- How to replenish the reserve when utilized
- How to account for the reserve

1. Restricted Reserve - Closure Reserve

A closure reserve shall be in place for SPG to provide coverage of costs that would occur in the event that SPG ceases operations.

This reserve would only be accessed if SPG ceases operations under Board approval.
The reserve will be calculated based on expected expenses that would be incurred upon closure and will be reviewed and updated every three years. Any change to the closure reserve will be approved by the Board.

This reserve will be fully funded with investments that will be restricted in SPG's financial statements.

There is no replenishment requirement for this reserve.
The reserve will be reflected as restricted net assets in SPG's accounting records.

2. Restricted Reserve – Funds Invested in Capital Assets

Funds Invested in Capital Assets reflect the net book value of tangible capital assets owned by SPG less any related debt.

This reserve will change based on additions, disposals and amortization of tangible capital assets and be adjusted annually.

The reserve will be reflected as restricted net assets in SPG's accounting records.

3. Restricted Reserve - Revenue Variability

The purpose of a revenue variability reserve is to set aside funds to help SPG manage the risk of drops in levy revenue that directly impact the levy received when expenditures may not be able to adjust as quickly in the same fashion.

The revenue variability reserve will be accessed when actual levy revenues fall short of budgeted levy revenues and it results in a deficit for the year.

The reserve will be calculated and reviewed on an annual basis by the Board. The maximum amount of the reserve will be approved by the Board on an annual basis.

The reserve will be funded from investments and cash and cash equivalents.

The reserve will be reflected as restricted net assets in SPG's accounting records.

The Board will be notified by the Executive Director at any time that this reserve is accessed and investments are utilized as a result.

4. Restricted Reserve – Commitments beyond Baseline Budget

The purpose of this reserve is to set aside funds to ensure that SPG has the resources in place to fund existing commitments above its baseline budget.

The reserve will be based on actual approved project commitments beyond the baseline budget. The baseline budget will be determined by the Board and updated as required.

The reserve will be funded from investments and cash and cash equivalents.

The reserve will be reflected as restricted net assets in SPG's accounting records.

The Board will be notified when commitments will be funded within this reserve so that additional resources can be restricted for this use.

5. Restricted Reserve – Expected Future Commitments

The purpose of this reserve is to set aside funds for planned future commitments where SPG has intent to fund a project and a reasonable expectation that the project will be approved and funded by SPG.

The reserve will be based on estimated future commitments for planned projects. Any additions to the reserve must be approved by the Board.

The reserve will be funded from investments and cash and cash equivalents that will be restricted in SPG's financial statements until the project is approved or abandoned by the Board.

The reserve will be reflected as restricted net assets in SPG's accounting records.

6. Unrestricted Reserve – Strategic Investments

The purpose of this reserve is to set aside funds for larger one-time investments in projects that are not part of the annual budget for SPG.

This reserve will only be accessed under Board approval.

The reserve will be set by Board approval.

There is no replenishment requirement for this reserve but this reserve will only be funded after all restricted reserves are fully funded. If this reserve has a balance and the restricted reserve is not fully funded with no excess funds, this reserve should be reallocated to restricted reserves.

The reserve will be reflected as part of unrestricted net assets in SPG's accounting records.

7. Unrestricted Reserve – Excess funds

The purpose of this reserve is for all additional net assets remaining after the first four reserves listed have been fully funded. Any balances that may exist would be used to replenish other reserves as required.

The reserve will be reflected as part of unrestricted net assets in SPG's accounting records.

EXECUTIVE EXPECTATIONS: Reserves			
Authorized By:	Board	Effective Date:	July 22, 2019
Last Revised Date:	July 16, 2024	Last Reviewed Date:	July 16, 2024

EE-9. Emergency Executive Succession

- In order to protect the Board from the sudden loss of Executive Director services, the Executive Director shall ensure there are multiple people sufficiently familiar with Board and Executive Director issues and procedures to enable the person to take over with reasonable proficiency short-term as an Acting Executive Director until an interim successor is hired or until a permanent Executive Director is hired.

- The Executive Director will ensure that the staff members who could be potential appointees to the acting Executive Director role are aware of this succession plan.

- The Emergency Executive Succession plan for the ED will be approved by the Board.

EXECUTIVE EXPECTATIONS: Emergency Executive Succession			
Authorized By:	Board	Effective Date:	October 15, 2012
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

EE-10. Communications and Support to the Board

The Executive Director will ensure the Board is informed and supported in its work.

1. The Executive Director will:
    a. Ensure the Board is aware of any significant information it requires including anticipated adverse media coverage, threatened or pending lawsuits and material external and internal changes;
    b. Ensure the Chair is aware if, in the Executive Director's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior, which is detrimental to the work relationship between the Board and Executive Director;
    c. Ensure the Board is equipped with decision information required periodically by the Board or reasonably necessary to keep the Board aware of relevant trends;
    d. Present information that is not unnecessarily complex or overly lengthy and in a form that differentiates among information of three types: information, discussion, and decision;
    e. Ensure the Board has a timely, secure, workable mechanism for official board, officer or committee communications;
    f. Deal with the Board in a way that treats all Directors evenly, except when:
        i) Dealing with the Chair or vice-Chair in those capacities;
        ii) Fulfilling individual requests for information where reasonable or approved by the Chair; or
        iii) Responding to officers or committees duly charged by the board.

EXECUTIVE EXPECTATIONS: Communications and Support to the Board			
Authorized By:	Board	Effective Date:	October 15, 2012
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

EE-11. Partnerships, Advertising and Endorsements

With respect to partnerships, advertising and endorsements, the ED may not allow any threat to the image of SPG.

1. The Executive Director will ensure to:
    a. Accept advertisements from organizations, companies or individuals that support, promote, or include views and opinions that:
        i) Are in accordance with the mission statement of SPG.
        ii) Avoid demeaning or insulting content to any individual or organization.
        iii) Make only authorized use of SPG's logo or copyrighted material.

EXECUTIVE EXPECTATIONS: Partnerships, Advertising and Endorsements			
Authorized By:	Board	Effective Date:	October 15, 2012
Last Revised Date:	July 24, 2020	Last Reviewed Date:	July 16, 2024

EE-12. Evaluation Process

Executive Director Evaluation

Setting Objectives

With the material for the final scheduled Board Meeting in each fiscal year, the Executive Director will submit to the Board a list of proposed objectives that the Executive Director would seek to accomplish in the subsequent fiscal year. The objectives should meet the "S.M.A.R.T." criteria, namely, specific, measurable, achievable, realistic and time-bound. They should be tied to the strategic plan and be no more than ten (and ideally five) in number.

The Board will review those objectives with the Executive Director at that meeting and the Board and Executive Director will arrive at an agreed set of objectives for the following fiscal year.

Evaluation of the Executive Director

After the completion of each fiscal year, the Executive Director will prepare an assessment of the results attained during the year relative to the objectives approved by the Board. This assessment will be considered by the Board at its October/November meeting. At that meeting, the Board will also complete the Executive Director evaluation form (attached).

Review with the Executive Director

Following the meeting, the Board Chair will meet in person with the Executive Director to review the Board's evaluation and the Board's views of the assessment prepared by the Executive Director. The Board Chair is responsible for negotiating the Executive Director's compensation and contract.

Completing the Circle

The Executive Director may request a review of the Board assessment at the next regularly scheduled meeting of the Board.

EXECUTIVE EXPECTATIONS: Evaluation Process			
Authorized By:	Board	Effective Date:	
Last Revised Date:	Jan. 19, 2016	Last Reviewed Date:	July 16, 2024