



**BOARD OF DIRECTORS
TERMS OF REFERENCE**

Reviewed and Approved by the Governance and Human Resources Committee: May 18, 2016

Reviewed and Approved by the Board of Directors: May 19, 2016

1. OBJECTIVE

The Board of Directors functions as stewards of the Corporation, and has statutory authority and an obligation to manage the affairs and business of the Corporation. In satisfaction of this obligation, the Board provides oversight while delegating to Management the responsibility for the day to day operations of the Corporation. The fundamental objective of the Board is to act in the best interests of the Corporation, taking into account the public policy and business objectives of the Corporation, with a view to enhancing shareholder value.

2. CONSTITUTION

- 2.1 The Board of Directors shall be comprised of not more than seven (7) members, who shall be appointed by the Lieutenant Governor in Council. Three of these members are nominated by the Federation of Saskatchewan Indian Nations. Each member of the Board shall hold office at pleasure for a period not exceeding three years and until a successor is appointed. Where a vacancy occurs at any time in the membership of the Board, it may be filled by the Lieutenant Governor in Council;
- 2.2 The Board must be comprised of a majority of Directors who are independent. An independent Director means a Director who has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. In making a determination regarding a Director's independence, the Board will consider all relevant facts and circumstances, including the Director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships and such other criteria as the Board may determine from time to time, in accordance with CIC's *Directors' Code of Conduct*. Directors are asked to provide the Governance and Human Resources Committee with full information regarding their business and other relationships with the Corporation and its affiliates, and senior management. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination of their independence;
- 2.3 The Lieutenant Governor in Council shall designate one member of the Board as Chair of the Board and another member of the Board as Vice Chair of the Board. If the Board Chair is absent or unable to act or the office of the Chair is vacant, the Vice Chair shall perform all of the duties and may exercise all of the powers of the Chair. If both the Chair and the Vice Chair are absent, the Chair of the meeting shall be chosen by the remaining members of the Board; and

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

3. DUTIES AND RESPONSIBILITIES

- 3.1 In discharging its obligations, the Board has specific duties and responsibilities for the following which do not limit or comprehensively define its overall responsibility for stewardship of the Corporation:
- 3.1.1 to provide leadership in setting the Corporation's vision, mission, values and strategic direction;
 - 3.1.2 to approve the Corporation's annual Performance Management Plan, Objectives, budgets, performance indicators and the business plans established to achieve them;
 - 3.1.3 to review and monitor corporate performance against approved targets and measures;
 - 3.1.4 to approve the Corporation's Annual Report;
 - 3.1.5 to the extent feasible, satisfy itself as to the integrity of the senior executives of the Corporation and as to the culture of integrity throughout the Corporation;
 - 3.1.6 to review and approve annually the corporate wide risks and to review and approve as required, to oversee the implementation of appropriate systems to manage the risk and approve as required, changes to the Enterprise Risk and Opportunities Management Framework and the Corporation's Enterprise Risk and Opportunities Management Policy;
 - 3.1.7 to recommend the appointment or termination of, establish performance objectives, work plans and development plans for and evaluate the performance of the Chief Executive Officer (the "CEO"), taking appropriate action as warranted;
 - 3.1.8 to review recommendations of the CEO regarding appointments, restructure (people or positions), and terminations of the Executive Officers and the Corporate Auditor;

- 3.1.9 to ensure that effective management succession planning and management development plans are in place;
- 3.1.10 to ensure policies and processes are in place for effective communication with the corporation's shareholder, other stakeholders and the public;
- 3.1.11 to monitor the integrity of the Corporation's internal control and management information systems;
- 3.1.12 to approve and monitor compliance with significant policies and procedures which have a material impact on the operation of the Corporation;
- 3.1.13 to develop corporate governance principles and guidelines;
- 3.1.14 to adopt an Annual Agenda to ensure the duties and responsibilities listed in the Terms of Reference are scheduled to be achieved and to review annually;
- 3.1.15 to approve revisions as appropriate, every two years or as required, the Terms of Reference for the Board and its Committees and the position descriptions for the Board Chair, Committee Chairs and Directors;
- 3.1.16 to ensure that there is an appropriate orientation program for new Directors and that there is a continuing education program in place for all Directors;
- 3.1.17 where possible, to evaluate every two years the performance of the Board;
- 3.1.18 where possible, to evaluate every two years the performance of the Committees, Committee Chairs and Individual Directors;
- 3.1.19 to ensure that the Board functions independently of Management;
- 3.1.20 to approve programs and policies involving the overall compensation of employees, including adjustments for management and Executive compensation, and the Corporation's Collective Bargaining Agreements;
- 3.1.21 to approve, as required, any changes to the short and long term debt obtained by the corporation in accordance with Corporate policies;
- 3.1.22 to review annually the debt risk, interest rate risk and the corporate debt plan;

3.1.23 to approve, the performance objectives, work plans and development plans for the President and Chief Executive Officer for the upcoming year; and

3.1.24 to approve the annual performance review for the President and Chief Executive Officer.

4. LEGAL RESPONSIBILITIES

4.1 In discharging its legal duties and statutory responsibilities, the Board shall ensure that the Corporation establishes appropriate and effective policies and procedures to:

4.1.1 operate at all times within applicable laws and regulations;

4.1.2 operate in accordance with the highest ethical standards; and

4.1.3 properly prepare, approve and maintain Corporate documents and records.

4.2 In performing their legal duties, Directors shall:

4.2.1 act honestly and in good faith with a view to the best interests of the Corporation, while taking into account the public policy and business objectives of the Corporation;

4.2.2 exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstance;

4.2.3 comply with the provisions of *The Crown Corporations Act, 1993*, and *The Saskatchewan Gaming Corporation Act*, as amended or replaced from time to time; and

4.2.4 comply with CIC's *Directors' Code of Conduct* and SaskGaming's Code of Business Conduct and Ethics Policy.

5. MANAGEMENT RESPONSIBILITIES

5.1 The Board discharges its statutory obligation to manage the affairs and business of the Corporation by delegating certain of its powers to officers and employees of the Corporation;

5.2 Management is responsible for the day-to-day operations of the Corporation, acting within approved Board policies and directives;

- 5.3 The Board, in addition, requires management to:
- 5.3.1 develop for recommendation to the Board a vision and mission for the Corporation and strategic plans, business plans, and budgets to achieve the vision;
 - 5.3.2 establish, prioritize and achieve Corporate strategies, goals and operational plans, and measure performance indicators;
 - 5.3.3 identify, prioritize and manage the principal risks to the Corporation;
 - 5.3.4 appoint, train, motivate, monitor and evaluate employees, and develop an effective succession plan;
 - 5.3.5 propose and implement policies and processes to enable effective communication with the shareholder, stakeholders and the public;
 - 5.3.6 design and implement policies and procedures to ensure the integrity of the Corporation's internal control and management information systems; and
 - 5.3.7 provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities.

6. MEETINGS

- 6.1 The time and place of meetings of the Board and the procedures at such meetings shall be determined from time to time by the members of the Board, provided that:
- 6.1.1 the Board shall meet on a quarterly basis at a minimum;
 - 6.1.2 a meeting of the Board may be called on the direction of the Chair of the Board, the CEO of the Corporation or by any two (2) members of the Board, and subject to quorum being achieved, the meeting shall convene on the date and time set by the Notice of Meeting;
 - 6.1.3 a quorum for meetings shall be four (4) members of the Board, present either in person or by telephone or other telecommunications device that permits all Directors participating in the meeting to speak to and hear each other;
 - 6.1.4 reasonable notice, preferably seven (7) days before the meeting, shall be given in writing, by e-mail or by facsimile communication to each member of the Board;

- 6.1.5 the Agenda and associated material shall be made available to each member of the Board prior, preferably seven (7) days, to the time for such meeting;
- 6.1.6 a Director may in any manner waive a notice of meeting, and attendance of a Director at the meeting is a waiver of notice of the meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called;
- 6.1.7 The Board shall have the right to determine which non-Board members shall and shall not be present at any part of the Board meeting; and
- 6.1.8 The Board will hold an in-camera session at each meeting.

7. MINUTES AND REPORTING RESPONSIBILITIES

- 7.1 An outline of material proceedings and deliberations addressed by the Board, and all recommendations, decisions and directives of the Board shall be recorded by the Corporate Secretary in the minutes of the meeting;
- 7.2 A draft copy of the minutes of a Board meeting, approved by the Chair, shall be circulated to members of the Board prior to the next regular Board meeting, unless otherwise directed by the Board due to a perceived or actual conflict of interest. A Board member may request that the revised minutes include specific deliberations. Following approval of the minutes of the meeting by the Board, if substantive revisions have been made to the draft minutes, the minutes approved by the Board shall be re-circulated to members of the Board; and
- 7.3 The Board shall review all information items that have been considered by a Committee of the Board and pass a resolution at the Board meeting that items listed under the consent agenda have been reviewed by the Directors.

8. COMMITTEE STRUCTURE

- 8.1 The Board has the statutory authority to appoint any Committees that it considers necessary for the efficient conduct of the affairs and business of the Corporation and to prescribe the scope, duties and responsibilities of any Committee it appoints;
- 8.2 The Board shall appoint by resolution members of the Committees, as recommended by the Board Chair, to hold office until that member is removed by resolution of the Board, or ceases to be a member of the Board;

- 8.3 The Board has established the following two (2) Committees:
- a) Governance and Human Resources; and
 - b) Audit and Finance,
- the scope, duties and responsibilities of which are set out in the respective Terms of Reference of each Committee;
- 8.4 The appointment by the Board of a committee and the assignment of duties to it do not absolve the full Board of its responsibility for the actions, recommendations or decisions of a Committee of the Board. Committees shall assist with the deliberations required for the fulfillment of the Board's Terms of Reference; however, unless specifically stated otherwise, all Committees shall act in an advisory capacity only, recommending decisions to the Board for approval;
- 8.5 The Board Chair, in conjunction with the Committee Chairs, shall annually review the membership composition, and mix of required skills and qualifications of all Board Committees; and
- 8.6 The Board Chair shall be an ex-officio member of any Committee appointed by the Board, shall be counted for the purposes of determining quorum for meetings of a Committee, and shall have the right to vote on items presented to the Committee for consideration.
- 9. SUPPORT TO BOARD**
- 9.1 In performing any of its duties and responsibilities, the Board shall have access to any and all books and records of the Corporation and, as necessary, shall discuss with appropriate Corporate Officers and Employees such records and other relevant matters; and
- 9.2 The Board shall have the authority to retain external advisors, experts or consultants in order to properly discharge its duties and responsibilities.
- 10. CONFIDENTIALITY**
- 10.1 All deliberations of the Board, and all Corporate records, material and information obtained by a member of the Board and not generally available to the public shall be considered confidential. Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access beyond the conclusion of their term.