



CLSI Board of Directors Terms of Reference

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Revision History

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1.0 SCOPE AND AUTHORITY

The primary role of the Board of Directors (the “Board”) of Canadian Light Source Inc. (CLSI) is the stewardship of the organization on behalf of the Member (University of Saskatchewan) and other stakeholders. The Board’s fundamental objective is the protection and enhancement of the value of the organization’s assets. It provides direction to the total affairs of the organization to ensure its development and financial sustainability and to enhance the value of its products and services to its constituents. The Board provides for the quality, depth, and continuity of management required to attain the organization’s major strategic and operational objectives. The Board oversees the conduct of the organization’s business and supervises management, which is responsible for the day-to-day conduct of the business. In supervising the conduct of the business, the Board, through the Executive Director, sets the standards of conduct for the organization.

2.0 MEMBERSHIP

- 2.1 The Board consists of a minimum of six (6) and a maximum of thirty (30) directors, with directors being elected for a four-year term. The Executive Director of CLSI, the Vice-President (Research) and the Vice-President (Finance and Resources) of the University of Saskatchewan, by virtue of their offices, shall be directors of CLSI.
- 2.2 The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including appointing the Chair, Vice Chair and Corporate Secretary to the Board, proposing to the Member candidates for election to the Board, and constituting committees of the Board.
- 2.3 If there are vacancies which occur during the year, the Board may fill the vacancy with an individual willing to stand for election. On acceptance of the individual by the Board, the Chair of the Governance and Human Resources Committee will recommend the individual to the Member for appointment. On acceptance of the individual, by the Member, the individual has voting rights as a full member of the Board of Directors.

3.0 DUTIES AND RESPONSIBILITIES OF THE BOARD

3.1 Legal and Primary Oversight

The Board’s principal legal and oversight duties and responsibilities are outlined below:

- a. The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
- b. The Board has responsibility to:
 - oversee the management of the business affairs of CLSI;
 - act honestly and in good faith with a view to the best interests of CLSI;
 - exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and

- act in accordance with its obligations contained in the Saskatchewan Non-Profit Corporations Act, CLSI's bylaws, and other relevant legislation and regulations.

3.2 **Setting the Strategic Direction**

The Board has the responsibility for setting the strategic direction for the CLSI and in doing so has the responsibility to:

- a. ensure that there is a strategic planning process in place and the capability to carry out the work,
- b. ensure that there are specific short- and long-term objectives governing all major elements of CLSI's operations in place;
- c. review and approve the strategies, business plans and annual budgets by which it proposes to achieve these objectives; and
- d. ensure that the objectives, strategies and budgets are submitted to and approved by the Board at least annually.

3.3 **Managing Performance**

The Board has the responsibility to:

- a. monitor CLSI's progress towards its objectives and program plans at least once a year and to revise and alter its direction through management in response to changing circumstances; and
- b. take action when performance falls short of its objectives or when other special circumstances warrant.

3.4 **Financial Control**

The Board has the responsibility to:

- a. ensure that CLSI has implemented adequate control and information systems which ensure the effective discharge of its responsibilities;
- b. review and approve overall financing programs and policies;
- c. authorize actions as may be required to implement such programs; and
- d. review and approve the annual budget for CLSI.

3.5 **Managing Risk**

The Board has the responsibility to understand the principal risks of the business in which CLSI is engaged and to ensure that there are procedures and controls in place which effectively monitor and manage those risks with a view to the long-term viability of CLSI.

3.6 **Appointing, Training and Monitoring Senior Management**

The Executive Director of CLSI reports to the Board. The Board has the responsibility to:

- a. appoint the Executive Director with prior consultation with and the concurrence of the University of Saskatchewan President, to monitor and assess Executive Director performance, to determine the Executive Director's compensation and to provide advice and counsel in execution of the Executive Director's duties;
- b. review the appointment and remuneration of other senior staff as reported on by the Executive Director;

- c. ensure that adequate provision has been made for effective organizational structure and the orderly succession of management; and
- d. ensure appropriate senior management development.

3.7 Policies, Procedures and Compliance

The Board has the responsibility to:

- a. ensure that CLSI operates at all times within applicable laws and regulations, and the Corporation's bylaws and maintains ethical and moral standards;
- b. approve and monitor compliance with significant policies, procedures and practices, and management contracts by which CLSI is operated;
- c. ensure CLSI has a high regard for the health and safety of its employees in the workplace and has in place appropriate programs and policies; and
- d. review and approve all pension, retirement and other employee benefit plans.

3.8 Reporting and Communication

The Board has the responsibility to:

- a. ensure CLSI has in place policies and programs to enable CLSI to communicate effectively with its Member, other stakeholders and the public generally;
- b. ensure that the financial performance of CLSI is adequately reported to the Member as required under the Non-Profit Corporations Act of Saskatchewan on a timely and regular basis (quarterly and annually);
- c. ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
- d. ensure the timely reporting of any other developments that have a significant and material impact on the value of CLSI;
- e. approve plans and logistics of Member meetings; and
- f. report annually to the Member on its stewardship of the affairs of CLSI for the preceding year.

3.9 Function of the Board to be Independent

The Board must ensure that procedures exist which enable it to function independently of management through:

- a. ensuring that "in camera" sessions without management are held when appropriate; generally at the end of each scheduled Board meeting, and
- b. establishing a process and guidelines to enable the Board and/or committees to engage outside advisors when appropriate.

4.0 COMMITTEES OF THE BOARD

4.1 The Board will have, as a minimum, standing committees as follows:

- a. an Executive Committee, to supervise the affairs of CLSI between meetings of the Board and deal with emergency matters when it is impractical or impossible to call a meeting of the Board;
- b. an Audit Committee, with responsibility for oversight of financial reporting and controls for CLSI;

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- c. a Governance & Human Resources Committee, to oversee the structure of the board and its effectiveness, as well as corporate human resources policies.
- 4.2 Each standing committee of the Board will have a written mandate which will be reviewed and approved by the Board. Only Board Members can be members of the standing committees.
- 4.3 The Board may also create ad hoc Board committees to deal with specific issues. At least one member of the Board shall be appointed to each committee established by the Board. These committees need not be comprised of Board members exclusively. The Board may delegate to these committees such powers and to the non-board members such voting rights as the Board may decide. These committees will have written mandates.
- 4.5 Concurrent with establishment of a committee, the Board shall designate the committee chair, and each committee whether comprised exclusively of Board members or not shall have the power to fix its quorum at not less than a majority of its members.
- 4.6 For the work of both the standing and ad hoc Board committees to be implemented by CLSI, the committees' recommendations must first be brought to the Board for approval, with the exception of the Executive Committee, unless the Board has specifically provided a Board committee with the authority to act on a certain matter.

5.0 CHAIR, VICE CHAIR, CORPORATE SECRETARY

5.1 Chair

The Chair of the Board shall be appointed by the Board for a two-year term and may be reappointed, normally for three successive terms. Candidates for the Chair of the Board will be identified from among the directors and proposed by the Governance and Human Resources Committee for approval by the Board. The Governance and Human Resources Committee may nominate more than one candidate for the position. If more than one candidate is nominated, Board Members will select the Chair through a secret ballot.

5.2 Vice-Chair

The Vice Chair of the Board shall be appointed for a two-year term, and can be reappointed, normally for three successive terms. The Vice Chair shall assist the Chair as may be necessary and, in the absence of the Chair or the inability of the Chair to act, shall exercise the powers and duties of the Chair. Candidates for the Vice Chair of the Board will be identified from among the directors and proposed by the Governance and Human Resources Committee for approval by the Board. The Governance and Nominating Committee may nominate more than one candidate for the position. If more than one candidate is nominated, Board Members will select the Vice Chair through a secret ballot.

If the Chair of the Board is not present at a meeting of the Board, the Vice Chair or a member of the Executive Committee will chair the meeting. If none of the former is present, the Board shall choose a Chair from among the directors present at the meeting.

5.3 Corporate Secretary

The Board shall appoint a Corporate Secretary to the Board who need not be a director, officer or employee of CLSI. The Corporate Secretary is accountable to the Board and reports to the Chair with regard to services provided to assist the Board members in performing their duties.

The Corporate Secretary is responsible to:

- a. organize and record CLSI activities of board and committee meetings;
- b. ensure that CLSI complies with its governing legislation, articles of incorporation and bylaws;
- c. keep and maintain all CLSI corporate and historical records;
- d. coordinate publication of the annual report and other governance related information; facilitate the orientation and ongoing education of directors (with direction from the Governance and Human Resources Committee); and
- e. act as a channel of communication and information for directors.

6.0 MEETINGS, ATTENDANCE AND MINUTES

- 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 Board, provided that:
 - a. the Board shall hold a minimum of four (4) meetings a year;
 - b. notice of every meeting shall be delivered, telephoned or sent electronically to each director not less than three (3) days before the meeting is to take place or shall be mailed to each director not less than eight (8) days before the meeting is to take place, addressed to each director at his/her usual place of business or residence, provided, however, that a director may in any manner waive a notice of a meeting;
 - c. an agenda and related materials respecting each meeting shall be given in writing or by electronic means to each director at least 48 hours prior to the time fixed for such meeting;
 - d. a quorum for meetings shall be a majority of the directors then holding office, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other;
 - e. at all meetings of the Board and any committees of the Board every question shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. A Director shall not be entitled to vote at any meeting of the Board by proxy.
- 6.2 The Board shall at all times have the right to determine who shall and shall not be present at any part of the meetings of the Board.
- 6.3 The Corporate Secretary will ensure that all deliberations, recommendations, directions, decisions and resolutions of the Board shall be recorded in the minutes of the meetings of the Board, such minutes to be promptly circulated to all directors by the Board Secretary prior to the next Board meeting.

7.0 IN CAMERA

Each meeting will include an “in camera” session that may be used to discuss matters that are sensitive or require independence from CLSI management. Minutes will not be taken other than recommendations made as a result of the “in camera” discussions. If the Corporate Secretary is not present at the meeting, the Vice Chair will ensure that any recommendations are noted as a result of the “in camera” discussions. The Board may invite any non-Board members to an in camera session that it deems desirable.

8.0 COMMUNICATION OF BOARD OF DIRECTOR MEETING RECOMMENDATIONS

The Corporate Secretary will ensure that key decisions and discussions (if required) are adequately disclosed to CLSI management and key stakeholders. In addition, the Corporate Secretary will ensure public disclosure of the CLSI corporate governance practices, including the terms of reference for the Board, Directors and Committees of the Board.