



**Canadian Light Source Inc.**  
**Board of Directors**  
**Governance and Nominating Committee**  
**Terms of Reference**

0.13.1.11 Rev. 2

Date: 2013-05-06

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	Signature	Date
Author	_____ Corporate Administrative Assistant	_____
Reviewer	_____ Corporate Secretary, Board of Directors	_____
Approver	_____ Governance & Nominating Committee Chair	_____

**The Governance and Nominating Committee Terms of Reference were approved at a meeting of the CLSI Board of Directors on March 7, 2013.**

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## **1.0 SCOPE/PURPOSE**

The purpose of the Governance and Nominating Committee is to:

- a. Develop and recommend corporate governance policies and procedures applicable to CLSI
- b. Liaise with the University of Saskatchewan Board of Governors or the President of the University of Saskatchewan as the representatives of the sole Member with respect to governance issues
- c. Identify and recommend qualified individuals as members of the Board and its committees
- d. Execute succession planning of members of the Board and its Committees

## **2.0 AUTHORITY**

The Committee makes recommendations to the Board related to corporate governance procedures and policies. The Committee has authority to retain services necessary to assist in the identification of Board candidates or to advise on governance issues.

## **3.0 MEMBERSHIP**

The Governance and Nominating Committee includes at least three members and not more than five members of the Board of Directors. Membership will include a University of Saskatchewan Vice President representative on the Board of Directors.

### **3.1 INDEPENDENCE AND EXPERTISE**

All members of the Committee shall have an understanding of corporate governance practices.

### **3.2 TERM OF OFFICE**

Members will normally be appointed for a three-year term, renewable for no more than one term; with the exception of ex-officio University of Saskatchewan member(s) as per the Bylaw. To ensure continuity, terms will be staggered with typically one seat filled each year, as appropriate. With the exception of the University of Saskatchewan Vice President, any member may be removed or replaced at any time and shall cease to be a member of the Committee upon ceasing to be a Director.

### **3.3 COMMITTEE CHAIR**

- a. The Chair will be a member nominated by the Committee for a three year term.
- b. The Chair of the Committee is responsible for facilitating the effective performance of the Committee. The Chairperson is not an executive of the Corporation in the sense that the Chairperson is not responsible for the management of any aspect of the Corporation's business.

In discharging his/her responsibility, the Chairperson will, from time to time:

- i. provide leadership to the Committee on specific issues,
- ii. act as a servant to the Committee in meeting Committee requirements,
- iii. in accordance with the direction of the Committee, act as the spokesperson for the Committee.

Without limiting the generality of the responsibility of the Chairperson as described above, the Chairperson shall carry out the following:

#### **Pre-Committee Meeting Matters**

- a. Schedule Committee meetings, in consultation with the Chair of the Board of Directors, other Committee members, the Executive Director, or the Corporate Secretary, if and when necessary;
- b. Set the agenda for Committee meetings, in consultation with the Chair of the Board of Directors, other Committee members, the Executive Director, or Corporate Secretary and other members of management as appropriate;
- c. Ensure that Committee members are receiving written information in a timely manner and are exposed to presentations from Management consistent with fulfilling the Terms of Reference of the Committee; and
- d. Allot sufficient time during Committee meetings to discuss fully agenda items of relevance and importance to Directors.

#### **CONDUCT OF COMMITTEE MEETINGS**

- a. Know the minimum number of members required to be present to constitute a quorum and if a quorum is present, to declare the meeting properly constituted;
- b. Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling its Terms of Reference;
- c. Retain, oversee and terminate, in conjunction with the Committee, independent advisors to assist the Committee in its activities or assist an individual member if and when necessary;
- d. Chair all meetings and executive sessions of the Committee;
- e. Ensure that the deliberations and decisions of the committee are appropriately recorded in the minutes;
- f. Communicate with appropriate members of Management in fulfilling the Terms of Reference of the Committee;
- g. Conduct the meeting so as to ascertain the sense or wishes of the members and attain consensus;
- h. Ensure that the Committee meets in non-management executive sessions, as necessary;
- i. Ensure that the culture of the Committee encourages full and constructive participation from all the members; and
- j. Undertake the internal assessment of the performance of the Committee annually.

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## **POST-COMMITTEE MEETING MATTERS**

1. Report the results of each Committee meeting on a timely basis as necessary, independent of the next meeting scheduled;
2. Initiate action to implement decisions;
3. Receive a draft of the minutes from the Secretary and indicate changes he or she wishes in order to give his or her approval of the text as submitted; and
4. Provide feedback to Committee members related to their contributions to the Committee.

### **3.4 COMMITTEE SECRETARY**

The Corporate Secretary will act as secretary to the Governance and Nominating Committee.

### **3.5 RESOURCES**

The Committee may invite other officers, directors, CLSI employees or outside resources as it sees fit from time to time. In order to aid in maintaining confidentiality, the observer(s) will be required to sign an agreement of confidentiality.

## **4.0 PROCEDURES**

### **4.1 MEETINGS**

#### **i. Schedule of Meetings**

The Governance and Nominating Committee will meet at the call of the Chair as required, at least twice annually.

#### **ii. Quorum**

No business may be transacted by the Committee except at a meeting of its members at which a quorum is present. A majority of members constitutes a quorum.

#### **iii. Meeting Format and Agenda**

The standard meeting procedures are noted below:

- a. Meetings may be held in person, by video conference, telephone, or electronic network.
- b. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.
- c. Minutes will be maintained.
- d. The Committee may meet in camera.
- e. The Committee may meet separately with management and with external advisors.

#### iv. Meeting Attendance

The Committee has the right to determine who shall and shall not be present at any part of the meeting.

### 4.2 REPORTING

The Committee will make recommendations to the Board of Directors at the meeting preceding the Annual Meeting of the Member or as required in the case of unplanned vacancies:

- a. Nominations to the Board to fill vacant positions
- b. Results of the review of Board, Committees and member effectiveness
- c. Other governance issues as required

All recommendations, directions, decisions and resolutions of the Committee shall be recorded by the Committee Secretary in the minutes of the meetings; such minutes will be circulated to the members of the Committee prior to the next meeting. The deliberations of the Committee will be confidential to the extent legally possible.

The Committee advice to the Board will be in the form of written reports and verbal reports containing recommendations on matters addressed by the Committee. The report will be submitted at the Board meeting following the Committee meeting. The Board of Directors will have the final authority to accept or reject the recommendations of the Committee.

## 5.0 ROLES AND RESPONSIBILITIES

The Governance and Nominating Committee of the Board will:

- a. Make recommendations to the Board with respect to the appropriate size and composition of the Board;
- b. Establish qualifications for members of the Board with regard to their independence and expertise required for effective governance and satisfaction of regulatory requirements;
- c. Establish procedures to identify possible candidates;
- d. Select nominees for appointment to the Board;
- e. Recommend nominees for Board Chair, Vice-Chair and Corporate Secretary;
- f. Review Committee membership and recommend to the Board, the assignment of members to the Committees and the role of Chair of the Committees;
- g. Review periodically the Bylaws, terms of reference for the Board, individual directors and mandates of the Committees and make recommendations;
- h. Oversee the evaluation of, and consider the effectiveness of the Board as a whole, the Committees of the Board and the contributions of members on a regular basis;
- i. Oversee the orientation and ongoing development program for Board members;
- j. Oversee the Director's Code of Conduct;

- k. Assess from time to time, the needs of the Board in terms of the frequency, location and conduct of the Board and committee meetings;
- l. Review and recommend to the Board policies with respect to remuneration of expenses incurred by Board members in the performance of their duties;
- m. Review and approve any planned annual disclosure of the Board's governance practices proposed by the Corporate Secretary;
- n. Review and recommend corporate governance policies and procedures applicable to CLSI; and
- o. Take on other tasks as deemed appropriate by the Board.

## **6.0 GUIDELINES TO APPOINT BOARD MEMBERS**

The process the Board of Directors and the Governance and Nominating Committee follow in appointing new members to the Board is as follows:

### **6.1 Accountability**

CLSI is a non-profit corporation established to operate and enhance the Canadian Light Source facility. The University of Saskatchewan, as sole member is responsible through a number of funding agreements to control and ensure the viable continued operation of the Facility.

As a publicly funded institution, the CLS has responsibility to the public, who represent indirect/beneficial owners of the Facility. As a recipient of significant public funds (and consequently public trust), CLSI is held to a high level of public scrutiny and disclosure of decision making related to its operations.

### **6.2 Determination of Board Composition**

The Board of Directors should be representative of an appropriate combination of skills, experience and personal attributes that support the CLSI mission and vision statement.

#### **6.2.1 Process**

With reference to the mission and vision of CLSI, the Governance and Nominating Committee reviews the competencies and personal attributes that are desirable for the Board of Directors as a whole. It looks for those attributes that will provide the key skills and experience necessary to achieve the corporate mandate. Similarly the Governance & Nominating Committee must review the terms of reference for each Committee of the Board to determine the desired attributes and to ensure that, amongst the Board members, there exist the skills needed to discharge the duties of each of the Committees.



### 6.2.2 Identify the Need for an Appointment

- a. The Corporate Secretary will ensure that the Governance and Nominating Committee is informed at least nine months in advance of planned vacancies to the Board as terms of current directors come up for renewal or termination.
- b. In addition, additional members may be nominated by the Governance & Nominating Committee if necessary to ensure that the Board has the required competencies to meet its responsibilities. This review will take place annually.
- c. To the extent possible, Board Member terms of appointment will be staggered.

## 6.3 Confirm Board Composition Criteria & Vacancy Skill Profile

### 6.3.1 Overall Representation

The Board of Directors has approved that there shall be representation from industry, government and academia, with reference to expertise and experience that will assist CLSI in achieving its mandate. In addition there are geographic and personal attributes that must be considered to ensure overall representation from key stakeholders. These factors are outlined in a Competency Matrix (6.3.3).

In its consideration of the necessary skills and experience and appropriate representation from geographical regions and sectors, the Governance and Nominating Committee may solicit names of potential Board nominees from users and other stakeholders.

### 6.3.2 Needs Assessment

CLSI Board members must possess the skills and experience necessary to enhance the operation of CLSI in accordance with the terms of reference of the Board of Directors (Doc. # 0.13.1.16). Therefore, collectively, the directors should have the competencies and personal attributes required to meet the identified roles and responsibilities with reference to the need for government, business and scientific expertise. In particular, the Governance and Nominating Committee must ensure the Board has representatives that have the skills and experiences including scientific expertise, to meet the required Committee expertise:

- a. **Finance & Audit** - Members should be sufficiently versed in financial and risk assessment matters in order to understand accounting practices and policies and major judgments involved with financial statements. (e.g. relevant experience would be a CA or other professional designation, lawyer or insurance experience)
- b. **Business Development** - Members should be familiar with broad aspects of business operations. (e.g. worked in industry or have experience with marketing, promotion or communication)
- c. **Governance and Nominating** - Members of the Committee should have an understanding of corporate governance practices. (e.g. experience on other Boards, hold CEO or senior management positions in institutions)
- d. **Health Safety and Environment** - Members should have experience with health, safety and environment issues, including familiarity with regulatory requirements including the Canadian Nuclear Safety Commission.
- e. **Human Resources** - Members should be sufficiently versed in human resource and compensation matters in order to assess and guide organizational, performance and compensation issues. (e.g. HR specialist, senior management)

With reference to the strategic review of CLSI operations, the Governance and Nominating Committee will periodically consider the factors that are required to ensure the Board is able to fulfill its responsibilities.

### 6.3.3 Competency Matrix

Based on the Needs Assessment, the Governance & Nominating Committee will review the key skills and experience required for the Board as a whole.

The key competencies required for the Board are compared to the skills and experience of the current directors as disclosed in the Member Self Evaluation (see Appendix A). As a result, it can be determined what attributes are lacking and allow these required competencies to drive the search for new candidates.

Competencies will be reviewed and updated annually by the Governance and Nominating Committee and whenever there is a need for a new candidate.

Key factors include:

1. **Scientific Expertise** - Individuals have experience as a user or potential user with a good understanding of potential synchrotron applications, technical and design expertise to develop beamlines, and/or understanding of research & development issues.
2. **Business Expertise**
  - a. Operational/ Technical Expertise – Individuals have experience with the synchrotron ‘machine’, knowledge of regulatory issues (CNCS, HSE), familiarity with information and communication technology issues, and/or understanding of research & development issues.
  - b. Financial expertise – Individuals have knowledge of accounting and auditing practices, internal controls, risk and business management, and/or legal experience.
  - c. Human Resources – Individuals have experience with human resources, union labour management, and/or organizational issues.
  - d. Communications / Marketing – Individuals have experience in business development or communication strategies.
  - e. Industry – Individuals have knowledge of relevant CLSI target industries, an understanding of issues related to potential clients, and an understanding of the factors promoting commercialization of technology.
3. **Government / Funding Experience** - Individuals have knowledge of how government works, applicable regulatory environment, funding sources and issues.
4. **Leadership and Governance**
  - a. Leadership Experience – Individuals have senior management or executive positions in academic institutions, government or industry.
  - b. Governance / Board experience – Individuals have experience or good knowledge of Board and governance issues.
5. **Relevant Networks**
  - a. Networks – Individual has established networks in a relevant scientific field or industry, or the ability to create them.

## 6. Personal Attributes

- a. Business judgment – Individual has a broad perspective on issues, solid decision making skills, ability to work as a team, and/or proven reasoning skills.
- b. Independence – Individual has no direct or indirect conflict with the required Board responsibilities as described in the Board member terms of reference.
- c. High ethical standards and integrity in professional & personal matters.

## 7. Diversity

In addition to ensuring the fulfillment of any contractual obligations and securing the necessary skills and experience, the Governance and Nominating Committee, in its consideration of potential Board members, should attempt to achieve an appropriate representation of the geographical regions of Canada and be sensitive to the need for gender balance and representation of visible minorities.

## 6.4 Nomination of Directors

### 6.4.1 Identification of Board Member Nominees

The Governance & Nominating Committee will determine the proposed recruitment and evaluation process, which may include:

- a. Director's recommendations based on personal knowledge
- b. Stakeholder Recommendation (i.e. CISR, UAC)
- c. Professional search assistance
- d. Advertising of vacancies
- e. Capital contributor's recommendation
- f. Self-identification

Nominees should provide sufficient background information to clearly demonstrate the qualifications the candidate brings to the position. The referral source, if any, should also be noted. Each nominee (and existing Board member) will complete a self-assessment of their ability to meet the identified criteria of the appointment. (See 6.3.3)

### 6.4.2 Data Base Of Potential Members

The Corporate Secretary will maintain a listing of potential board members which provides an overview of the competencies of potential members. The list will be reviewed annually by the Governance and Nominating Committee.

### 6.4.3 Reappointments

A director may be nominated for reappointment if the appointee's performance has been satisfactory and the review of the Competency Matrix indicates the appointment meets the needs of the Board.

### 6.4.4 Recommendation to the Board of Directors

The Governance and Nominating Committee will recommend nominees to the Board of Directors. To facilitate the review by the Board, the Governance and Nominating Committee will provide a bio for each candidate outlining their qualities and the concurrence with the overall matrix of competencies for the Board of Directors.

The Board of Directors will approve the nomination of an individual and request approval by the University of Saskatchewan of the appointment to the Board, no later than the next Annual General Meeting of the Member (the University of Saskatchewan).

## **7.0 PERFORMANCE ASSESSMENT**

The Governance & Nominating will conduct a periodic survey of the Board member's assessments in accordance with Appendix B.

The Board performance standards are reviewed annually by the Governance & Nominating Committee will distribute to all Board members for review and discussion to ensure changes made to CLSI's operating environment are captured in the performance review process. This process will ensure that CLSI maintains optimal accountability measures and that the Board is benchmarked against the issues that are most important to CLSI.

## APPENDIX A

Canadian Light Source Inc.

Board of Directors

Individual Member's Self Evaluation of Knowledge, Experience and Skills

COMPETENCIES	DESCRIPTION OF KNOWLEDGE / EXPERIENCE / SKILLS	
	<b>Self Rating</b> (1 = low, 10 = high)	<b>Examples of relevant competencies</b>
<b>Scientific</b>  1 = no direct scientific experience (no science degree, no supervision of scientific personnel, no responsibility for areas such as R&D, HS&E)  10 = active scientist using synchrotron science		Research administration, examples of policy or strategy setting.
<b>Business</b>  1 = no significant business experience  10 = at least 10 years of business experience at a senior level		Please indicate if you have significant experience or knowledge in the following areas: human resources, financial, audit, legal, marketing, communication, operational, construction  5 years owned a private consulting company (4 employees). Sales experience.
<b>Government / Funding</b>  1 = no significant experience in government relations, accessing funding sources, or fundraising  10 = work in the government, for a funding agency, or have significant experience in fundraising		All aspects of securing/managing research funds/commercialization.
<b>Leadership &amp; Governance</b>  1 = no board experience, no significant management experience  10 = senior management with current or past membership on other boards		Please note that leadership is not limited to business but can include leadership in areas such as politics and non-profit and scientific endeavors.  On many not-for-profit and research Boards.

<p><b>Relevant Network – Established / Abilities</b></p> <p>1 = no established network and limited ability/opportunity to establish a network</p> <p>10 = have an established network of contacts in your area of endeavor</p>		<p>National/International research administration and policy.</p>
<p><b>PERSONAL ATTRIBUTES</b></p>	<p>Please note any relevant material facts</p>	
<p><b>Independence</b></p>		
<p><b>Diversity</b> (optional) (e.g. gender, aboriginal, languages, visible minority)</p>		
<p><b>Other</b></p>		

## Appendix B: Assessment of Effectiveness of CLSI Board of Directors

This review and assessment is currently performed by the Governance and Nominating Committee. The purpose of this assessment is to assist in understanding what is working well, needs improvement and identify priorities to be addressed. In addition, in accordance with good governance practices, directors are asked to self-assess their own performance.

### SELF-ASSESSMENT QUESTIONNAIRE:

Rating Scale: On a scale from 1 to 5 with 1 being “Strongly Disagree” and 5 being “Very Strongly Agree” please rate your performance as a director based on the following:

	<b>Assessment Criteria</b>	Strongly Disagree 1	Disagree 2	Agree 3	Strongly Agree 4	Very Strongly Agree 5
<b>PART 1 - Director Self-Assessment</b>						
1.	I have a good understanding of my role as a board member.					
2.	I understand the difference between governing and managing a corporate enterprise and avoid intruding on management’s responsibilities					
3.	I think, speak and act independently in relation to decisions the Board must make. (taking into account only the best interest of the CLS)					
4.	I make a measured and appropriate contribution to board and committee discussions and deliberations.					
5.	I respect the confidentiality of business information and our Board’s deliberations.					
6.	I understand the legal and fiduciary obligations of individual directors and of the Board as a whole.					
7.	I have sufficient knowledge of CLS as a legal entity and not-for-profit corporation, as well as an understanding of its relationship with funding stakeholders.					
8.	I ask probing questions focused on policy and strategy rather than tactics and details.					
9.	My attendance rate at meeting is satisfactory.					
10.	I serve as a resource to the Board and to management.					
Additional Comments:						

<b>PART 2 – Assessment of Board of Directors Strategic Planning and Performance</b>		Strongly Disagree	Disagree	Agree	Strongly Agree	Very Strongly Agree
		1	2	3	4	5
11.	The Board has a good understanding of the vision, mission and objectives of CLS.					
12.	The Board is involved in the strategic planning process, including corporate goals, objectives, and overall operating and financial plans to achieve them.					
13.	The Board focuses on strategic issues and regularly assesses performance against its strategic plans and goals.					
14.	The Board monitors financial and other indicators throughout the year, and takes appropriate action as required.					
15.	The Board regularly assesses strategic and operating risks and takes appropriate action as required.					
16.	The Board understand the legal requirements and obligations under which they act as a Board i.e. bylaws, corporate governance.					
Additional Comments:						
<b>PART 3 – Board of Directors Operations</b>		Strongly Disagree	Disagree	Agree	Strongly Agree	Very Strongly Agree
		1	2	3	4	5
17.	The Board meetings are properly focused on significant matters.					
18.	The material (board packages, etc.) adequately prepares members to make informed decisions at the Board and/or Committee meetings.					
19.	The Board material is provided in a timely manner to allow for adequate preparation.					
20.	The Board of Directors' Chair functions well and meets my expectations.					
21.	The Board meetings allow sufficient time to discuss the business at hand.					
22.	The Board and Committee meetings allow for candid, constructive discussion and critical questioning.					
23.	The Board has an effective process for maintaining its size and compositions to provide appropriate expertise and experience to meet the best interests of the CLS.					
24.	The Board has an adequate process for orientating and educating new Directors.					
25.	The Board membership of four year term is the correct amount of time to be the Board.					
Additional Comments:						



<b>Committee Structure and Performance</b>		Strongly Disagree 1	Disagree 2	Agree 3	Strongly Agree 4	Very Strongly Agree 5
26.	The Committee meetings are properly focused on significant matters.					
27.	The Board Committees have clear Term of Reference and function well.					
28.	The Committee membership of three year term is the correct amount of time to be on a Committee.					
29.	The Committee Chair functions well to ensure strategic issues are adequately discussed.					
30.	The meetings are conducted in a manner that ensured open communication and meaning participation.					
31.	The amount of information received is appropriate for discussion and decision making purposes.					
Additional Comments:						

## Revision History

<i>Revision</i>	<i>Date</i>	<i>Description</i>	<i>Author</i>
0	2006-03-14	Issued for use	Beryl Lepage
0A	2013-02-08	Update to include 6.0 Guidelines to Appoint Board Members and 7.0 Performance Assessment  Update Appendix A – Self Evaluation and Appendix B – Board Self-Assessment	Beryl Lepage
1	2013-03-15	Approved by Board of Directors  Issued for Use	Beryl Lepage
1A	2013-04-08	Removal of section 4.3 Confidentiality and moved the confidentiality requirement under 3.5 Resources	Beryl Lepage
2	2013-05-06	Issue for Use	Beryl Lepage