



# Canadian Light Source Inc.

## Board of Directors Terms of Reference

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

**The CLSI Board of Directors Terms of Reference was approved at a meeting of the CLSI Board of Directors on March 7, 2013**

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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 Corporate bylaws state that 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, 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 It is generally accepted that the preferred size of the Board of Directors is the smallest number that can effectively carry out CLSI's mandate.
- 2.3 While reviewed annually, the size of the Board will generally be between 12 and 15 members.
- 2.4 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 candidates for election to the Board, and constituting committees of the Board.
- 2.5 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 Nominating 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.
- 2.6 Although it is important to recognize the significant contributions of Board Members, as a not for profit organization, there will be no remuneration of Board members, other than reasonable reimbursement of expenses incurred in the performance of the Board duties.

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## 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 in place governing all major elements of CLSI's operations;
- c. review and approve the strategies, business plans and annual budgets by which it proposes to achieve these objectives;
- d. ensure that the objectives, strategies and budgets are submitted to and approved by the Board at least annually

### 3.3 Financial

The Board has the responsibility to:

- a. Provide oversight of strategic plans to ensure operating and capital funding is available to ensure sustainable operation.
- b. ensure that funding agreements are in place to ensure the viable continued operation of the entity;
- c. ensure that CLSI has implemented adequate control and information systems which ensure the effective discharge of its responsibilities;
- d. review and approve overall financing programs and policies;
- e. authorize actions as may be required to implement such programs; and
- f. review and approve the annual budget for CLSI

### 3.4 **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.

### 3.5 **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, 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 Independence

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

- 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. a Finance and Audit Committee, with responsibility for oversight of financial reporting and controls for CLSI;
- c. a Governance & Nominating Committee, to oversee the structure of the board and its effectiveness.
- d. a Human Resources Committee to provide oversight for Human Resources Policies, Executive succession and development, and Executive compensation;
- e. a Health, Safety and Environment Committee, to provide oversight for health, safety and environment matters, including oversight of regulatory compliance;
- f. a Business Development Committee to provide oversight of CLSI business development activities to promote applied science, generation of fees, and economic benefits from the use of synchrotron techniques.

- 4.2 Each standing committee of the Board will have written terms of reference which will be reviewed and approved by the Board. Only Board Members can be voting 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 terms of reference.
- 4.4 Concurrent with establishment of a committee, the committee shall designate a 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.
- 4.5 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.
- 4.6 The Chair, Vice Chair and Executive Director have the right to participate in all committee meetings as ex-officio non-voting members unless designated as a full member.

## **5.0 CHAIR, VICE CHAIR, CORPORATE SECRETARY**

### **5.1 Chair**

The Chair of the Board shall be appointed by the Board for up to 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 Nominating 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 Chair through a secret ballot.

### **5.2 Vice-Chair**

The Vice Chair of the Board shall be appointed for up to 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 Nominating 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. 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;
- e. facilitate the orientation and ongoing education of directors (with direction from the Governance and Nominating Committee);
- f. act as a channel of communication and information for directors and management; and
- g. follow up on actions and recommendations made by the Board of Directors.

## 6.0 MEETINGS, AGENDA MATERIAL, 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 of Directors meeting agenda is determined by the Board Chair, in consultation with the Corporate Secretary. The agenda will focus on high level strategic issues and outcomes and be prioritized in a manner that ensures the Board can provide the oversight and support of the long term strategic direction and vision. The Corporate Secretary will ensure that material supporting each agenda item is provided in a summary form to facilitate member review and comprehension.
- 6.3 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.
- 6.4 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.
- 6.5 The Chair may invite observer(s) at their discretion, and each observer will be required to sign a confidentiality agreement.
- 6.6 The Board does not allow alternate representation when a Board Member is unable to attend the Board of Directors 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 DIRECTORS 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.

## Revision History

<i>Revision</i>	<i>Date</i>	<i>Description</i>	<i>Author</i>
A	2005-11-07	Formatted into CLS Format	Beryl Lepage
0	2006-01-06	Updated with Revisions from Meeting	Beryl Lepage
0A	2012-10-09	Added 3.2e and updated 3.3 to highlight Board responsibility for oversight of funding and budgets. Updated 6.2 to clarify the process of setting meeting agenda	Beryl Lepage
1	2013-03-15	Approved by Board of Directors Issued for Use	Beryl Lepage
1A	2013-04-08	Added section 6.5 the ability to invite observers and required a signed confidentiality agreement	Beryl Lepage
2	2013-05-06	Issue for Use	Beryl Lepage