

**TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

**CONTRACTOR OVERSIGHT AND GOVERNANCE**

**PURPOSE**

The primary purpose of Contractor Oversight and Governance Committee (Contractor Oversight and Governance) is to:

- A. Assist the Board in fulfilling its obligations relating to oversight of the Shared Services contractor's accountabilities, performance, and compliance as described in contractual agreements with the Shared Services contractor. This obligation may extend to other significant contractor relationships as determined by the Committee.
- B. Provide a focus on governance that will enhance the Corporation's performance.
- C. Assess and make recommendations regarding Board effectiveness and establish and lead the process for developing potential director criteria and candidates for recommendation to the Province.

**COMPOSITION AND OPERATIONS**

- A. Contractor Oversight and Governance shall operate as a Committee of the Whole with one Director acting as Chair for the limited purposes as described below.
- B. Contractor Oversight and Governance shall meet at least four times each year concurrent with the Board of Directors.
- C. The Secretary to Contractor Oversight and Governance shall be the Corporate Secretary or his/her delegate.

**RESPONSIBILITIES**

**Contractor Oversight**

Subject to the powers and duties of the Board, Contractor Oversight and Governance will:

- A. Provide input and collaborate with the Shared Services contractor with respect to recruitment of the Shared Services contractor's Chief Executive Officer (the "CEO").
- B. Recommend a performance evaluation process for the Shared Services contractor and, when approved, ensure the process is implemented.
- C. At least once each year report to the Board, and to the Board of the Shared Services contractor, the CEO's performance.
- D. Review and provide input into the CEO's compensation, perquisites, including incentives, benefits, and retirement plans.
- E. Review with the CEO and, if appropriate, approve any significant outside commitments the CEO is considering before the commitment is made. This includes commitments to act as a director or trustee of any organization.
- F. Ensure the Shared Services contractor has appropriate human resources policies and compensation policies that satisfy any applicable requirements of PSEC.
- G. Review with the CEO existing senior management resources and performance evaluations, including recruitment and training programs and that qualified management will be available for succession.

**TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS**

- H. Prior to implementation, review major changes in the organizational structure of management as proposed by the CEO.

**GOVERNANCE**

Subject to the powers and duties of the Board, Contractor Oversight and Governance will:

- A. As required, develop recommendations regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board's short-term needs and long-term succession plans and recommend to the Board for submission to the Province, criteria and potential candidates for consideration when appointing directors.
- B. Review and monitor the orientation and ongoing development of existing and new directors.
- C. Review the Board Manual as required outlining the policies and procedures by which the Board will operate and the terms of reference for the Board and Committees of the Board.
- D. At least annually assess the needs of the Board in terms of the frequency and location of Board meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings.
- E. Annually implement an appropriate evaluation process for the Board as a whole, the Board Chair, and individual directors.
- F. Ensure there is a process to enable a director to engage separate independent counsel in appropriate circumstances, at the Corporation's expense, and be responsible for the ongoing oversight of such a process.
- G. At the request of the Board Chair or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation.
- H. Annually review directors' conflict of interest statements.