



GOVERNANCE MANUAL

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SASKATCHEWAN CATTLEMEN'S ASSOCIATION

Governance Manual

This Governance Manual will be reviewed annually by the Governance Committee and the Board of Directors. The Governance Committee will recommend changes to the Board for its consideration and approval.

Board of Directors Duties and Responsibilities

Primary Role of the Board of Directors

The Board of Directors is responsible for the governance of the organization. The primary role of the Board of Directors is the direction and protection of the organization on behalf of the cattle producers of Saskatchewan, who provide the funding for the Saskatchewan Cattlemen's Association.

The Board provides direction to the total affairs of the organization that will ensure its development and enhance the value of its programs and related services, and enhance its financial capacity and sustainability. The Board provides the quality, depth, and continuity of leadership required to attain the organization's major strategic and operational objectives. The Board oversees the conduct of the organization's business and supervises the CEO, who is responsible for the day-to-day conduct of the business and its staff. In supervising the conduct of the business, the Board, through the Board Chair, sets the standards of conduct for the organization.

General Duties of Directors

All Directors have the following duties:

1. Duty of Knowledge

Directors have a duty to be involved and knowledgeable about the organization and the activities in which it is engaged. Collectively the Board is informed.

2. Duty of Care

The duty of care of directors of non-profit organizations is governed by the common law.

At common law a subjective test applies and it has been held that a director "need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience." This test requires less of people who possess little knowledge or skill and more of people who are particularly skilled or knowledgeable. There may be a lower or higher standard of care depending on the knowledge and skill of the director in question. This standard requires that a director of a non-profit organization exercise the skills and expertise that he in fact possesses. A director's actions will be assessed based on what may be reasonably expected from a person of the director's own knowledge, skill and experience.

3. Objective Test

In comparison, most modern corporate laws, like the Saskatchewan *Non-profit Corporations Act*, have an objective standard which judges a director's actions in the context of what a reasonably prudent person would do in comparable circumstances. For example, the standard of care in subsection 122(1) of the *Canada Business Corporations Act* states that a director or an officer, in exercising his or her powers and discharging his or her duties, must act honestly and in good faith with a view to the best interests of the corporation and display the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

As with directors of all for-profit and non-profit organizations, Saskatchewan Cattlemen's Association Producers directors should:

- a) Diligently attend to their duties;
- b) Be fully informed regarding the affairs and issues facing the organization;
- c) Attend all board meetings, unless one advises the Board Chair (via the SCA office);
- d) Actively participate in decisions concerning for Saskatchewan Cattlemen's Associations activities;
- e) Understand the objectives of the organization;
- f) Oversee the management of the organization; and
- g) Exercise their judgment in ways that advance the objectives of the organization without compromising SCA's ability to achieve its goals, at present or future.

In order to discharge their legal responsibility, it is the responsibility of directors to ensure that:

- a) The organization adopts by-laws that conform to all governing statutes;
- b) The organization is structured in such a manner that the Board of Directors and the individual directors are able to properly discharge their responsibilities; and
- c) Directors are receiving balanced opinions on all presentations made to it.

4. Duty of Skill and Prudence

The duty of skill requires that a director must apply whatever level of skill and experience they have when carrying out their duties and responsibilities.

Directors are required to act with practicality and caution and, in doing so, anticipate the potential consequences of their actions. Directors must act reasonably and prudently, with the expectation that the courts will not second-guess their business decisions.

New Board member orientation is to be provided on a timely basis after the Annual General Meeting.

To fulfill this duty directors should:

- a) Ensure that adequate information is available to them with respect to every decision they are asked to make;
- b) Review agendas and background documents before each meeting;
- c) Attend all meetings, and if appropriate, ask independent questions and expect answers to be provided;

- d) Make their own notes of the meetings and document their participation; and
- e) Call for and support the establishment of committees, where appropriate, to ensure that certain matters receive in-depth and expert examination that would be difficult for the entire board to conduct.
- f) If a director has special qualifications, they must ensure that the Board and the organization is the beneficiary of those skills and experience.

5. Duty of Diligence

Directors are required to set and have a complete and ongoing current understanding of the objectives, policies and affairs of the organization they represent. With this understanding a director will be able to make decisions that maintain the character, reputation and integrity of the organization. In carrying out their duty of diligence directors must know when to obtain outside professional assistance, counsel and expertise.

6. Duty to Govern

Although, as noted above, the Board of Directors are responsible for the governance of the organization's work, business and affairs, the directors themselves should not get involved in the day-to-day management of the organization.

The board exercises its authority to govern by appointing officers and the senior staff member, establishing policies and other methods of guidance, ensuring compliance with legal requirements, monitoring policies, acquiring an adequate knowledge of the organization's ongoing affairs and operations, and enacting appropriate internal by-laws to assist the organization in the management of its affairs.

The duties and obligations of directors are different from that of staff and clear lines must be developed between the two roles. Directors are responsible for establishing strategy and policies; management is responsible for implementing them; and directors are responsible for measuring management's implementation of those policies.

The Board of Directors is responsible for the stewardship of the organization and is responsible for:

- a) Adopting a strategic planning process, steering the organization toward its vision, mission and guiding strategic framework and policy;
- b) Identifying and articulating the principal risks of the organization's business and ensuring the implementation of appropriate systems to manage these risks;
- c) Ensure plans are in place for succession, including appointing, training and monitoring the CEO;
- d) Developing a communications strategy for the organization that includes communicating to producers and the public and making information available upon request;
- e) Ensuring the Board understands its role and avoids conflict of interest;

- f) Maintaining fiscal responsibility; and
- g) Implementing assessment and control systems to maintain the integrity of the organization's internal control and management information systems.

7. Fiduciary Obligations

Every director in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the organization. The fiduciary duty is owed to the organization and not to the stakeholders. The fiduciary duties of directors of non-profit organizations are the same as business corporations. Directors are held to strict standards of honesty and loyalty and are required to avoid situations involving a conflict of interest between their personal and/or private business interests and those of the organization. Directors' obligations require prompt acknowledgement to the Board of any potential conflict of interest.

The law that has arisen regarding fiduciary duties of directors serves to address those situations which invariably arise in which the personal interests of directors do not coincide with the interests of the organization. In such circumstances, the law requires that the personal interest of the director be subordinated to that of the organization.

The obligation to act "with a view to the best interests of the organization" requires directors to:

- a) Place the organization interest above their personal interest; and
- b) Act in the interest of the organization as a whole, rather than in the interest of any stakeholder or group of stakeholders.

The best interests of the "organization as a whole" means the best interests of all of the stakeholders, no one person's interest being permitted to prevail over the others. The law recognizes that the best interests of the organization will not always align with that of the stakeholders, with the organization's actions affecting different stakeholders differently.

Nature of Fiduciary Duties

There are a number of duties that fall under a director's fiduciary duty to an organization. This section addresses the directors' obligation not to allow a conflict to arise between duty and interest. The duty to act in the best interest of the organization is an expression of the conflict of interest and duty rule. Directors are not permitted to enter into engagements in which they have, or can have, a conflict of personal interest and duty.

The areas in which directors have been found to have breached their fiduciary obligation to avoid a conflict of interest and duty include:

1. Acting for an improper purpose

Directors can be found to have breached their fiduciary obligation to avoid a conflict of interest and duty if they act for an improper purpose. It is a well known principle of law that director's powers have to be exercised for the purposes for which they were conferred.

In exercising their powers, directors must never be motivated by self-interest or a desire to benefit a particular person or group. If there is a question as to whether or not a director's primary motivation was to serve the organization's best interests, the Courts will look closely at the directors' motivation and will require independent corroboration of that motivation. If the best interests of the organization were not "uppermost in the director's mind" the exercise of the power will be considered improper.

2. Competing Organizations

Directors are not prohibited from serving as directors of competing organizations or from being involved in entities that compete by carrying on the same business. The same rule applies to directors serving as a director of more than one company or non-profit organization. However, in such situations there is an obvious danger that the conflict of interest and duty rule could be breached. In determining whether a director has breached his or her fiduciary duty, courts focus on the facts of the particular transaction and the relationship between the director and the organization.

A conflict of interest can occur when a director acts on the Board of two or more organizations. The director owes a fiduciary duty to each organization and must act in the best interest of each. The director must act within the scope of authority and not favour any one organization to the detriment of another and not act in such a case. The pivotal question will be whether the director can act in the best interests of both organizations. Depending on the circumstances it may be impossible for someone to be a member of two Boards of Directors simultaneously and always be able to act in the best interests of both.

3. Duty to disclose information of value to the organization.

Directors, as fiduciaries, are subject to broad fiduciary duties of disclosure, requiring them to disclose any information of concern or relevance to the organization that comes to them.

Specific Duties and Responsibilities

Further to the general duties of directors outlined above the specific duties and responsibilities the Board of Directors has arising out of its stewardship responsibilities are as follows:

1. Organization Policy

The property and business of the organization is governed by the Board of Directors which includes the formation of the policy of the organization. The Board of Directors is required to consult with industry stakeholders of the organization in developing organization policy consistent with its objectives and purpose. The stakeholders may, from time to time, raise issues for consideration by the Board of Directors.

Any resolutions passed at a General Meeting are recommendations to be followed by the board but are not binding when the Board of Directors establishes policy.

2. Communications Policy

The Directors consider it a function of the Board to approve a communication policy and approve the content of the organization's major reports to the public. It is expected that members of the public and persons interested in the organization often will communicate their concerns and questions to Directors rather than to management. It is important that Directors inform the Chair so they may advise management of such communications, so proper action can be taken and accurate responses can be made by the appropriate representative of the Board or management.

Directors may be requested by management to assist with communications or a Director may be approached directly to speak publicly about the organization. In all cases Directors are asked to advise the Board Chair of the request and seek direction and inform the organization CEO of the decision. The Board Chair is responsible for ensuring communication activities are properly co-ordinated. The CEO is responsible for ensuring that Directors are provided with full assistance in preparing and making any public statements or presentations.

3. Organizational Strategy

The Board's role is to ensure there is a strategic planning process, and then review, challenge, validate, and ultimately endorse the strategy for the organization and ensure management fulfills its obligation to monitor its full implementation and action items. One Board meeting per year will be devoted to a review of the strategic plan. To maintain continuity the last meeting prior to the AGM will include incoming and outgoing Directors to create a smooth transition and understanding of the objectives of the Board.

4. Risk Assessment and Management

Risk management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. Risks can come from uncertainty in financial markets, legal liabilities, credit risk or events of uncertain or unpredictable causes.

The Board should have a continuing understanding of the principal risks associated with the organization's business with the Board and its committees being kept well informed of changing risks. It is important the Board understands and supports the risk decisions of the organization including a comprehension of the appropriate balance between risks and rewards.

The Board and its committees have the responsibility to understand the principal risks of the business in which the organization 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 the organization.

5. Internal Controls and Management Information Systems

Integral to the Executive's overall responsibilities is the existence of control systems, which ensures the effective delegation of authority. This policy and oversight of management by the Executive gives the Board reasonable assurance that these responsibilities are being discharged.

6. Strategy and Plans

The Board has the responsibility for setting the strategic framework/direction for the organization and in doing so has the responsibility:

- a) To ensure that there is a strategic planning process in place for the organization;
- b) To ensure that there are specific short- and long-term objectives governing all major elements of the organization in place; and
- c) To participate with management directly or through its committees in developing and approving the strategy by which it proposes to achieve these objectives.

7. Performance Management

The Board and its committees have the responsibility:

- a) To monitor the organization'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) To take action when performance falls short of its objectives or when other special circumstances warrant.

8. Financial Control

The Board and its committees have the responsibility:

- a) To ensure that the organization has implemented adequate control and information systems which ensure the effective discharge of its responsibilities;
- b) To review and approve overall financing policies;
- c) To review and approve proposals for investment in or disposal of capital assets in accordance with its financial policies and procedures.

9. Senior Management Development and Succession Planning

- a) To recommend the appointment or removal of the CEO to the Board, to monitor and assess the CEO's performance, to determine the CEO's compensation and to provide advice and counsel in execution of the CEO's duties;
- b) To ensure that adequate provision has been made for effective organizational structure and the orderly succession of management; and
- c) To ensure the existence and quality of programs for management development.

10. Policies, Procedures and Compliance

The Board, through its Governance Committee, has the responsibility:

- a) To ensure that the organization and its affiliates operate at all times within applicable laws, regulations, ethical and moral standards;
- b) To approve and monitor compliance with significant policies, procedures and practices, and management contracts by which the organization is operated;
- c) To ensure the organization has a high regard for the health and safety of its employees and contractees in the workplace and has in place appropriate programs and policies; and
- d) To ensure appropriate employee benefit plans are in place.

11. Reporting and Communication

The Board and its committees have the responsibility:

- a) To ensure the organization has in place policies and programs to enable the organization to communicate effectively with its strategic partners and other stakeholders and the public generally;
- b) To ensure that the financial performance of the organization is adequately reported to stakeholders and regulators on a timely and regular basis;
- c) To ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
- d) To ensure the timely reporting of any other developments that has a significant and material impact on the value of the organization;
- e) To approve plans for conducting of Annual General Meetings; and
- f) To report annually to stakeholders and the Agri-Food Council on its stewardship of the affairs of the organization for the preceding year.

12. Independence

The Board must ensure that procedures exist which enable it to function independently of management through ensuring that “in camera” sessions, with or without management, are held when appropriate and establishing a process and guidelines to enable the Board and/or committees to engage outside advisors when appropriate. Notes may be taken by the Chair to ensure understanding and clarity on the issues requiring attention.

Board of Directors Charter

As the organization with a mission to strengthen the sustainability and competitiveness of the beef industry for the benefit of beef producers in Saskatchewan, the Saskatchewan Cattlemen's Association will fulfill its mandate to initiate and carry out projects and programs respecting the production and marketing of cattle and cattle products:

- a) Assist, educate and inform producers and others on production and marketing;
- b) Expand market awareness and demand;
- c) Develop and promote the beef industry;
- d) Advise government on matters concerning the cattle industry;
- e) Conduct and encourage research on production, marketing and processing;
- f) Support and co-operate with partners and government;
- g) Communicate with producers and the public;
- h) Join organizations that will contribute to this plan; and
- i) Comply with The Cattle Development Plan Regulations.

To achieve these objectives the Saskatchewan Cattlemen's Association Board of Directors will adopt effective governance practices based on a high level of integrity, professionalism, transparency, fiduciary responsibility (moral and legal obligations), accountability, independence and commitment. In addition to possessing and demonstrating these governance principles in their active participation with the Saskatchewan Cattlemen's Association Board, directors are expected to avoid or prevent conflict of interest.

Responsibilities

The Board of Directors oversees and directs the operations of the Saskatchewan Cattlemen's Association by developing policies and strategic objectives, and providing accountability to the organization's owners (morally or legally) from Saskatchewan's beef industry. The active governance role of directors encompasses the authority and fiduciary responsibility for stewardship and oversight on behalf of its producers. Directors' obligations extend to protecting Saskatchewan Cattlemen's Association assets and the best interests of the Saskatchewan beef industry.

For effective governance, the Board accepts responsibility for ensuring:

- a) integrity of internal and external systems and practices by approving policies and procedures for fiscal responsibility, risk management, implementation of strategy, communication with stakeholders, governance activities, legal responsibilities and staff management;
- b) minimum standards are set for the participation of Directors, and a performance review of individuals is conducted;
- c) Directors fulfill the standards for active participation on the Board and its committees, and determine cause for sanctions and/or resignation;

- d) the organization's direction remains true to its objectives by participating in strategic planning and setting goals for senior management
- e) performance is monitored against the established objectives and that corrective action is taken when required
- f) congruence between the goals of the organization and its stakeholders involved with the production, promotion, and marketing of quality Saskatchewan beef;
- g) effective governance practices involving:
- h) appropriate recruiting and selection of Senior Management
- i) the recruiting and election of well-qualified Board Executive, committee chairs and committee members;
- j) professional development is provided for Directors and Staff; and
- k) The Board Charter is reviewed annually and changes recommended, as deemed appropriate.

Saskatchewan Cattlemen's Association reflects the diversity of its producers by ensuring participation from producers in all sectors of the industry on the Board of Directors. While producers may elect Board Members to represent their point of view and provide special expertise related to Saskatchewan, Directors serve the industry as a whole rather than a specific constituency. Directors are responsible for conducting business with integrity and transparency, during Board meetings and when communicating with stakeholders (producers) on an ongoing basis.

This requirement for honesty, openness and clarity extends to the Board's responsibility for ensuring the functions of the Board and Senior Management are clearly defined. Best practice indicates a successful Board focuses on oversight, rather than management. Such separation prevents Directors from micromanaging, which interferes with the CEO's responsibility for results and impedes Board objectivity. Directors are responsible for ensuring that the expectations of management are clearly understood and agreed upon. Management then develops and implements appropriate processes based on Board-approved policies for fiscal responsibility, risk management, implementation of strategy, communication with stakeholders, governance activities, legal responsibilities and staff management.

The Board of Directors responsibilities related to Senior Management encompass recruiting, screening, hiring, evaluating, and when necessary taking corrective action such as dismissing the CEO. The CEO manages the staff and Saskatchewan Cattlemen's Association day-to-day operations following the direction determined by the Board. This direction is often the result of strategic planning objectives produced with input from Directors and stakeholders.

While the Board retains responsibility, committees assume an active role in the direction of the Saskatchewan Cattlemen's Association, with the CEO reporting to the Board and working closely with the councils and committees. The Board and its actively supportive committees gain additional strength by accessing specific competencies, as required.

Directors are expected to show their dedication to Saskatchewan Cattlemen's Association by:

- a) Diligently serving for the term they are elected or appointed, involving face-to-face meetings in addition to their assigned committee responsibilities;
- b) Preparing in advance for Board and committee meetings, arriving on time, and discussing points of difference with openness and respect;
- c) Communicating openly and respectfully, whether talking or listening, with other Directors whenever information needs to be exchanged;
- d) Committing to the organization's mission, core values and objectives, then demonstrating loyalty;
- e) Acting in the best interests of the industry, in a professional, objective and independent manner;
- f) Basing decisions on the overall good of the organization, rather than in the interest of one group of stakeholders;
- g) Acting honestly, with transparency and in good faith; working to maintain the integrity of Saskatchewan Cattlemen's Association , as well as the industry as a whole;
- h) Demonstrating an understanding of the importance of confidentiality related to certain aspects of Board business;
- i) Exercising the care, diligence and skill of a reasonably prudent person, declaring and avoiding conflicts of interest; and
- j) Understanding the causes for sanction or resignation, and then acting professionally and appropriately.

Strong boards engage knowledgeable, capable directors, with the commitment and availability to appropriately serve and represent the organization. Ongoing consultation identifies the combination of expertise and qualifications required, and ensure maintenance of an appropriate mix of directors over time.

The Saskatchewan Cattlemen's Association Board, with support from members of the Governance Committee, accepts responsibility for ensuring Directors demonstrate the core competencies as outlined in the appropriate documents. These competencies focus on demonstrated:

- a) Ability to contribute the applicable skills, knowledge and experience; and
- b) Commitment to serving Saskatchewan Cattlemen's Association, in its role as a policy, production, marketing, education and research organization working on behalf of the Saskatchewan beef industry.

Board of Directors Operation

The election and appointment of directors to the SCA Board of Directors is governed by the provisions of the The Cattle Development Plan;6 Feb 2009 cA-15.21 Reg 8 s3.

1. Meetings of the Board of Directors

a) Meetings

Robert's Rules of Order have been adopted by the Board as guidance to the Chair for conducting meetings fairly. These rules will be respected by all members of the Board.

b) Agendas

The Executive and the CEO will develop the agenda for each Board meeting. Under normal circumstances, the agenda will be distributed to directors not less than three (3) days before the meeting. All directors may suggest additions to the agenda at the meeting prior to approval of the agenda.

c) Notices for Special Meetings

Directors will receive a meeting notice from the SCA office at least 24 hours before a special meeting by conference call is to take place and 7 days before an in person special meeting is to take place.

d) Information for Board Meetings

Material distributed to the directors in advance of Board meetings will be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Directors are entitled to request additional information on any matter brought before them for consideration. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

e) Minutes

All recommendations, directions, decisions and resolutions of the Board shall be recorded by the CEO (through an appointed representative) in the minutes of the meetings of the Board, such minutes to be promptly circulated to all directors by the CEO's office prior to the next Board meeting.

2. Management and Outside Advisors at Board Meetings

The Board appreciates the value of having management team members and outside advisors attend Board meetings to provide information and opinions to assist the directors in their deliberations. The

Board, through the Board Chair, Executive, or CEO, will invite outside advisors and management team members to attend Board meetings as and when required.

3. Board of Directors Relations with Management

Board of Directors policies and guidelines are issued to management for their adherence. Directors may only direct questions or concerns on management performance through the Board.

Directors must respect the organizational structure of management. Individual directors have no authority to direct any staff member, including the CEO. The Chair, on behalf of the Board, provides direction to the CEO.

4. New Director Orientation

New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors and the business and operations of the Board, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors. The orientation program for each new director will be tailored to that director's needs.

5. Board Compensation

Details regarding director compensation are outlined under the section "Board of Directors Compensation and Expenses" on page 23 of the Governance Manual.

Directors can be reimbursed for the reasonable expenses they incur in the performance of their duties but unless authorized by the Board of Directors do not receive remuneration from the organization. No director can directly or indirectly receive any profit from his position as a director. The Board of Directors may establish an honorarium to be paid to the Board Chair and directors if the duties of the Board Chair and directors so warrant.

6. Levels of Authority for Management and the Board

Directors acting individually have no authority to establish policy, direct management or make financial commitments for the Board or its CEO.

7. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the organization must first obtain the authorization of the Board Chair and the CEO.

8. Office and Secretarial Services for Directors

An office is to be maintained at the organization's head office for use by the Chair while the Chair is there to fulfill the responsibilities of the organization. The office is available at all other times for small committee meetings or for use by other directors when conducting organization business. Secretarial service is provided for the Board Chair.

For committee chairs, the organization will make administrative services available for the purpose of setting up meetings, booking meeting rooms and related needs (coffee, food, supplies), taking and issuing minutes of meetings, and correspondence for the organization's needs. No other personal secretarial assistance is available.

SCA Executive-SCA Chair, Vice Chair, Finance Chair and other Executive Members

Chair

The Chair, as the presiding director, provides leadership in guiding the Board, coordinating their activities and fosters relationships in the best interests of the organization. In performing this role the Chair works with the CEO and the Directors, to foster effective relations with the organization strategic partners and other stakeholders.

The Chair, while working closely with the CEO, retains an independent perspective to best represent the interests of the organization, the Board, strategic partners and producers.

1. Working with Management

The Board Chair will:

- a) Be the formal connection with the CEO and the Board, including helping to identify problems, reviewing strategy, maintaining accountability, building relationships and ensuring that the CEO is aware of concerns of the organization, its Board and strategic partners and other stakeholders;
- b) Review director conflict of interests within the Governance committee as they arise;
- c) Foster a constructive and harmonious relationship between the Board and management. Review minutes of the Board and committee meetings for accuracy and edit as appropriate;
- d) Authorize the CEO to act as a spokesperson for the organization and oversee the CEO's interface with the organizations strategic partners and other stakeholders; and
- e) Provide an open and smooth communication between the Chair and CEO.

2. Managing the Board

The Board Chair will:

- a) Ensure that the Board has full governance of the organization's business and efforts and is alert to its obligations to the organization, its owners, its strategic partners and other stakeholders;
- b) Provide leadership to the directors and CEO and assist the Board in receiving and monitoring the strategy, policy and direction of the organization and the achievement of its objectives;
- c) Ensure there is cohesion of direction and purpose at a policy and strategic level;

- d) Build consensus and develop teamwork within the Board;
- e) Communicate with the Board to help it stay up-to-date on all major developments, including timely discussion of potential developments;
- f) Direct the CEO to ensure the Board has sufficient information to inform it to make major decisions when required;
- g) Constitute and appoint members of the committees;
- h) Set the frequency of Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
- i) Coordinate the agenda, information packages and related documentation for meetings of the Board with the CEO;
- j) Chair meetings of the Board;
- k) Ensure meetings of the Board are conducted in an efficient, effective and focussed manner; and,
- l) Seek input from all board members.

3. Meetings and Functions

The Chair will, in coordination with the CEO, ensure that the organization's management and, where appropriate, the Board is adequately represented at functions and meetings.

Vice Chair

The Vice Chair will support the Chair in the Chair's duties and responsibilities, will take the Chair's role if the Chair is not available, and is an important part of the Board succession plan.

Past Chair

The Past Chair's main duty is to assist the Board in the maintenance of continuity from one administration to the next. The Past Chair has a full vote at all board meetings of the SCA.

Audit and Finance Chair

The Audit and Finance Chair provides support to the Chair and Vice Chair, presents financial statements at Board meetings, and delivers financial statements to fall meetings and general meetings.

Director at Large

The Director at Large provides support to the chair and fulfills such specific duties as assigned by the Chair. Provides a broader perspective and support to the executive for on-going work or other areas identified by the board.

CEO

1. Scope and Authority

Reporting to the Board of Directors (the “Board”), the CEO is the senior management officer for Saskatchewan Cattlemen's Association. The CEO works with the Board to determine the strategic direction and implementation of that direction for the organization.

2. Role and Key Responsibilities

- a) Work collaboratively with the Board in setting and implementing the strategic framework and direction of the organization;
- b) Develop an annual budget for the Board’s approval;
- c) Direct and monitor the activities of the organization in a manner that ensures that the assets of the organization are safeguarded, and optimized in the best interests of the organization’s strategic partners and other stakeholders;
- d) Together with the Chair, speak for the organization and oversee the interfaces with the organization’s strategic partners and other stakeholders;
- e) Keep the Board informed of the organization’s performance against its plans, key performance measurements and all significant developments;
- f) Ensure the integrity of the organization’s internal control and management systems and manage risks;
- g) Foster a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility;
- h) In coordination with the Chair, ensure that the organization’s management, and where appropriate, the Board, is represented at functions and meetings, acting in the capacity of spokesperson of the organization;
- i) Seeks input from all board members;

3. Performance Evaluation for the CEO

- a) Annual performance evaluations of the CEO will be led by the SCA Executive with outside assistance as required.
- b) The Executive develops proposed performance criteria based on position description, strategic plan and budget.
- c) The CEO reviews proposed performance criteria with the Executive and amends criteria as necessary.
- d) The Executive prepares a simple Assessment Form based on agreed criteria.

- e) The Executive, with the assistance of a third party if necessary, reviews all results with the CEO.
- f) The Executive and CEO identify areas of strength and areas for improvement, if any.
- g) The SCA Chair presents the general results to the Board of Directors.

Levels of Authority

Saskatchewan Cattlemen's Association (the "organization") exists and operates effectively and efficiently directly as a result of appropriate leadership being provided by the Board of Directors (the "Board") and Senior Management (the "Management") each contributing its unique skills under its unique authority. It is therefore important for the members, Board and Management to be clear as to their levels of authority in key areas.

1. Guiding Principles

Primary leadership is provided by the Board of Directors. The Board through formal and informal consultation with members and industry stakeholders develops the guiding principles for the organization that allows it to deliver its Vision, Mission, Mandate and Objectives.

Support leadership is provided by the organization's management. The CEO and staff are expected to deploy available resources and deliver programs that support the Board's guiding principles and vision.

2. Policy Formulation

Primary policy formulation is provided by the Board of Directors. The Board forms policy of the organization by resolution, which must be passed by a majority vote of the Board.

Support to the policy formulation process will be provided by Management. This support will primarily take the form of research, analysis, member surveys, and recommendations.

3. Communication with Stakeholders and the Public

Together, in consultation with one another and guided by the Communications Strategy developed by the Board, the Board Chair and the CEO act as the primary spokespersons for the organization and oversee its relationships with all stakeholders including:

- a) Developing and implementing a communications strategy; and
- b) Its interface with government, regulatory bodies and other stakeholders.

The Board shall develop and maintain a Communications Strategy to guide the communication actions of the Chair and CEO.

4. Stakeholder Communication

Saskatchewan Cattlemen's Association has identified that engaging stakeholders is an important part of its operations. The organization reflects this diversity in perspectives by ensuring:

- a) Representation from primary producers and other sectors of the industry or the Board of Directors, and
- b) Making communication with Saskatchewan Cattlemen's Association stakeholders a priority

Individual Directors are expected to shoulder some of the responsibility for communication, while keeping in mind the need for the consistency of messaging and confidentiality related to certain aspects of Board business. Care must always be taken to avoid creating a conflict of interest by enabling business associates, family, friends or others to benefit from receiving confidential information.

The Board assumes responsibility for adopting a communications strategy on how the organization will report to stakeholders on such topics as financial and program performance, and receives feedback from stakeholders. Saskatchewan Cattlemen's Association envisions the fall producer meetings and Annual General Meeting (AGM) as important elements in fulfilling this goal. Producers may review and provide feedback on Saskatchewan Cattlemen's Association financial reports, strategic plan, and strategic objectives. The AGM will be open to all producers.

5. Operational Management

Primary operational management responsibility rests with the CEO. He or she will delegate responsibility and authority to the employees and consultants retained by the Saskatchewan Cattlemen's Association. Management is responsible for implementing the Strategic Plan in a manner consistent with the organization's policies and guidelines.

The CEO will oversee the delivery of the organization's strategic plan and operations. The CEO will act as primary contact for external auditors and provide financial reports and analysis to the Audit and Finance Committee, and Executive Committee.

Individual directors will not direct the actions of the CEO or any employee or consultant retained by the Saskatchewan Cattlemen's Association.

6. Staff Hiring and Compensation

Primary staff hiring and compensation authority for the CEO rests with the Board based on recommendations by the Executive. The CEO is responsible for staff hiring and compensation, working in consultation with the Executive on these matters as appropriate.

Individual directors are not involved in staff hiring and compensation matters.

Committees of the Board / Board Committees

Under the SCA Regulations, the Board of Directors must establish a Governance Committee and an Audit Committee, and may establish any additional committees as may be required to carry out the business of the organization.

The Board of Directors will establish at least two standing committees, each with its own charter:

Members of the Committee are appointed or removed as follows:

- a) The Chair and the members of each Committee are designated by the SCA's Board Chair with the SCA Board of Directors having final approval of the appointments. Each Chair and the Committee member hold office at the pleasure of the SCA Board of Directors;
- b) The staff member is assigned to or removed from the Committee by the SCA CEO;
- c) Terms of office commences from the appointment by the SCA Chair at the first regular Board of Directors meeting following the AGM, and expires at the second first board meeting following the AGM;
- d) The Committee membership will be renewed each year following the SCA Annual General Meeting at the first regular Board of Directors meeting; and
- e) Remuneration and reimbursement for expenses are based on SCA Director/Committee Member Expense Policy.

The CEO or assigned staff members work closely with the committees, while reporting to the Board. Clearly defined responsibilities ensure separation, as opposed to overlap, in the duties of the Board, committees and CEO. Boards can establish special Committees, and working groups, with specific expertise and skills, to meet changing challenges faced by the organization.

All Committee's must adhere to and follow *The Cattle Development Plan Regulations, The Agri-Food Act, 2004* and its regulations, and all applicable board orders.

- **Executive Committee**

To formulate and monitor, along with the Board of Directors, the implementation of the Strategic Plan of the SCA.

To provide leadership to the Board of Directors and all the cattle producing members of the SCA.

To carry out the policies established by the Board of Directors.

To be responsible for the general oversight of the management of the affairs of the SCA

- **Audit and Finance Committee**

To address, on an ongoing basis, the financial aspects pertaining to the activity of the Saskatchewan Cattlemen's Association. These issues concern the operational activity as a business entity and issues surrounding the administration of the Saskatchewan Beef Industry Development Fund.

Submit a draft of the annual budget to the Board of Directors for their approval.

- **Governance Committee**

Developing and fostering the best governance practices and principles for a strong organization are the responsibility of this committee. The committee is responsible for regularly reviewing Saskatchewan Cattlemen's Association governance structure and operations. The committee consists of a minimum of three directors.

- **SBIDF**

To ensure proper administration of the SCA check-off levy funds used for research, development and promotion of the beef cattle industry in Saskatchewan. The committee will ensure that producer money is spent responsibly on effective research and market development projects that enhance the competitiveness of all production sectors of the Saskatchewan beef cattle industry.

- **Animal Health**

To address on an on-going basis the livestock health and welfare issues affecting all production sectors of the Saskatchewan beef cattle industry-

- **Communications**

To review issues pertinent to the cattle industry, then develop and implement communications materials to convey the SCA message to its members, consumers and the general public.

- **Environment**

To adhere to the environmental issues affecting all production sectors of the Saskatchewan beef cattle industry

- **Research**

To identify research topics and trends pertinent to all production sectors of the Saskatchewan beef cattle industry.

To facilitate initiatives to assure adequate research is being conducted for Saskatchewan cattle producers.

Board of Directors Compensation and Expenses

Directors, officers and committee members may be paid a fee and any out of pocket expenses incurred by them in the performance of their duties as may be provided for in a policy made by the Saskatchewan Cattlemen's Association and approved by the Board of Directors.

1. Authorities

Except as requested or specifically authorized in advance by the Board of Directors (the "Board"), or the Board Chair, directors may not represent the organization, undertake duties or be involved in the affairs of the organization, other than through attendance at meetings of the Board of Directors or Committees of the Board.

2. Travel Policy

Where work for the organization has been duly authorized it shall include authority for necessary travel for the performance of such work.

Any attendance at conferences, seminars or industry/government events by any member of the Board of Directors for the organization must be authorized by the Board Chair.

All Board of Director travel and attendance at conferences, seminars or industry/government events shall be regularly reported to the Board at its scheduled meetings throughout the year.

3. Submission of Claims

Payment of claims for remuneration and expenses submitted shall be subject to the approval of the Audit and Finance Chair, and the CEO.

4. Remuneration Policy

Fee Schedule:

Per Diem fees are paid monthly in arrears. Board expenses need to be submitted within 90 days to be eligible for payment and, at the end of the fiscal year (July 31, 2013), within 30 days.

Expense claims must be submitted within three months and one month at year end (which is end of July). MOTION 2010-021:

Board of Directors Fee Schedule- Motion 2010-085:

The Fee Schedule for the Board of Directors is as follows:

SCA Chair \$250/day with no ½ day requirement
\$150/day for Board & Committee members
Meals: Breakfast \$8; Dinner \$14; Supper \$19
\$200/day for Executive Committee members and Committee Chairs
\$50/Committee Conference Call
*\$100/ ½ day Board & Committee Member
\$125/ ½ day for Executive and Committee
*\$100/Board conference call
\$100/yr for every board member is provided to cover off incidentals

*1/2 days= anything less than 4 hours, including travel time. Anything over 4 hours, including travel will be considered a full day.

Motion 2012-043: That SCA pay per diems and expenses for people who are invited to attend meetings of interest to the cattle industry.

5. Representative Fee Schedule

Motion 2009-64: That all SCA committee members, including those individuals who are not members of the SCA Board of Directors, receive per diems and reimbursement of expenses at rates as approved by the SCA Board of Directors and defined by the SCA Expense Claim Policy.

If extra days are required when travelling to and from a meeting, travel time of one day before and one day after the meeting may also be claimed.

6. Travel and Hospitality Policy

a) Scope:

- (i) The policy applies to the Board Chair and directors.
- (ii) The basic premise of this policy is that the Board Chair and directors should be reimbursed reasonable expenses for travel and hospitality incurred on behalf of the organization.
- (iii) Expenses incurred by directors, other than the Board Chair, are eligible for reimbursement when work is authorized by the Board Chair.

b) Travel Expenses:

(i) Transportation - General:

- (A) All receipts for travel expenses should accompany the claim forwarded to the SCA office.
- (B) Reasonable expenses incurred during the course of duties in the city which they are based.
- (C) Reasonable travel and living expenses incurred while absent ordinary places of residence in course of duties.

(ii) Air:

Directors are responsible for booking their own flights. Directors are encouraged to travel economy class. When time and opportunity are available they shall take advantage of price reductions related to pre-booking flights.

(iii) Mileage/Kilometre Rates:

When private vehicles are used for authorized travel, the organization pays the current rate per kilometre as established by the Federal Government rates, **Motion 2010-080**.

(iv) Car Rental:

Receipts for car rental must be attached to the travel expenses claim for reimbursement. Car rental rates shall be justified in terms of economy and in light of alternative forms of transportation.

(v) Taxis, Airport Bus or Limousine:

A receipt is required for reimbursement.

(vi) Accommodation:

Directors are responsible for booking their own accommodations. Actual hotel bills must be presented for reimbursement.

\$40 for private accommodation

(vii) Meal Allowances:

Directors may claim meal expenses according to the SCA meal compensation policy.

(viii) Incidentals:

The Board Chair may claim for incidentals while travelling on organization business. Receipts are required for reimbursement.

(ix) Other Allowable Expenses:

The following expenses may be claimed provided that they are substantiated with receipts.

(A) Telephone - costs of such services incurred in connection with organization business may be claimed.

(B) Exchange Rate - costs incurred for conversion of foreign currencies purchased or sold while on business outside Canada may be claimed.

(x) Hospitality:

(A) Hospitality on behalf of the organization where hospitality is considered to be essential to facilitate the organization's business. Alcohol allowed on expense accounts when taking out dignitaries. Directors must use a high level of discretion. **Motion 2010-081:** To accept the recommendation regarding alcohol on expense accounts. **Motion 2010-082:** To modify the recommendation to read, up to 15% for tips for meals. Note: In consideration of any hospitality " Best of Intentions" are to be considered.

(B) All claims for hospitality must be supported by receipt and/or vouchers for the actual expenditures incurred and must be approved. When paying with a personal credit card, the invoice or receipt is required.

(C) The number and names of the person(s) to whom hospitality was extended must be shown clearly on the claim, as well as the reason for the hospitality.

(D) In exceptional cases where hospitality is extended to a group and where it is impractical to obtain a list of names, the claim must disclose the name or nature of the group, its size and relationship to the organization and the purpose and nature of the hospitality in lieu of the requirements stated above.