

Board of Directors Terms of Reference

1. OBJECTIVES

1.1 Directors will function as stewards of the Global Transportation Hub Authority (GTHA), with an obligation to manage the affairs and business of the GTHA. The Board of Directors (the Board) will have the statutory authority to do so. In satisfaction of this obligation, the Board provides oversight while delegating to Management the responsibility for the day to day operations of the GTHA. The fundamental obligation of the Board is to act in the best interests of the GTHA, taking into account the public policy and business objectives of the GTHA, with a view to enhance the benefits to people and business in Saskatchewan.

2. CONSTITUTION

- 2.1 The Board shall be comprised of not more than nine and not less than five Directors, who shall be appointed by the Lieutenant Governor in Council. Each Director of the Board shall hold office at pleasure for a period not exceeding three years and until a successor is appointed. A member may be reappointed. Where a vacancy occurs at any time in the membership of the Board, it may be filled by the Lieutenant Governor in Council.
- 2.2 A Director's appointment may be renewed for additional terms as long as both the Director, Lieutenant Governor in Council and the Board agree membership should continue.
- 2.3 The Board shall approve position descriptions for the Chair of the Board and the Committee Chairs, which set out the duties, responsibilities and expectations of each position. The Board may also make recommendations respecting the appropriate mix of skills, qualifications and expertise required for new Directors consistent with the Crown Investment Corporation (CIC) policies, as well as recommend individual candidates to fill vacancies based on competency and expertise requirements as assessed by the Board.
- 2.4 The Board must be comprised of a majority of Directors who are independent. An independent Director means a Director who has no direct or indirect material relationship with the GTHA. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Director's independent judgment.
- 2.5 In making a determination regarding a Director's independence, the Board will consider all relevant facts and circumstances, including the Director's commercial,

- industrial, banking, consulting, legal, accounting, charitable and familial relationships and such other criteria as the Board may determine from time to time, in accordance with the GTHA Director Code of Conduct. Directors are asked to provide the Governance & Human Resources (HR) Committee with full information regarding their business and other relationships with the GTHA and its affiliates and Senior Management. Directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination of their independence.
- 2.6 The Lieutenant Governor in Council shall designate one Director of the Board as Chair of the Board and another Director of the Board as Vice Chair of the Board. If the Chair of the Board is absent or unable to act or the office of the Chair is vacant, the Vice Chair shall perform all of the duties and may exercise all of the powers of the Chair. If both the Chair and the Vice Chair are absent, the Chair of the meeting shall be chosen by the remaining Directors of the Board. The Chair presiding at any meeting of the Board shall have a vote in all matters considered by the Board. In the event of a tie, the motion is defeated.
- 2.7 If the Corporate Secretary is not present at any meeting of the Board, the Board may appoint an acting Corporate Secretary to perform the functions of the Corporate Secretary at that meeting.

3. DUTIES AND RESPONSIBILITIES:

- 3.1 In discharging its obligations, the Board has specific duties and responsibilities for the following, which do not, limit or comprehensively define its overall responsibility for stewardship of the GTHA:
- 3.1.1 The review and monitoring of the selection, appointment, evaluation and if necessary the termination of the President & Chief Executive Officer (President & CEO) of the GTHA;
 - 3.1.2 Provide leadership in setting the GTHA's long-range strategic direction, approve the overall strategic plan, review and monitor the operating goals, operating budget, performance measures and targets and the business plans established to achieve them;
 - 3.1.3 Participate in identifying the principal risk of the business in which the GTHA is engaged, achieving a proper balance between risks incurred and the public policy objectives of the GTHA, and to oversee the implementation of appropriate policies and systems to manage risk;
 - 3.1.4 The review and monitoring of recommendations of the President & CEO regarding appointments and terminations of senior management;

- 3.1.5 The review and monitoring of effective management succession planning and management development plans are in place;
- 3.1.6 The review and monitoring of the human resources policies and procedures of the GTHA as prepared by Management; to approve the annual communications plan as prepared by Management and to ensure policies and processes are in place for effective communication with the corporation's shareholder, other stakeholders and the public;
- 3.1.7 The review and monitoring of the integrity of the GTHA's internal control and management information systems;
- 3.1.8 The review and monitoring of compliance with significant policies and procedures which have a material impact on the operation of the GTHA;
- 3.1.9 The review and monitoring of GTHA governance policies and processes to ensure good corporate governance, including development and approval of a Board of Director's Code of Ethics;
- 3.1.10 The review and monitoring of a Board of Directors annual Work Plan to ensure the duties and responsibilities listed in the Terms of Reference are scheduled to be achieved;
- 3.1.11 The review and monitoring of, in conjunction with the Governance Committee, the adequacy of the Terms of Reference for the Board and its Committees annually;
- 3.1.12 The review and monitoring of auditors to be appointed annually;
- 3.1.13 The review and monitoring of the annual Business and Financial plans, Annual Report including the Audited Financial Statements and other disclosure documents required to be approved by the Directors of the GTHA;
- 3.1.14 The review and monitoring of the performance and effectiveness of the Board, its Committees and individual Directors in achieving the requirements of its Terms of Reference and the Terms of Reference of all Committees of the Board annually, including the Annual Work Plans;
- 3.1.15 The review and monitoring of an appropriate orientation program for new Directors and that there is a continuing education program in place for all Directors;
- 3.1.16 The review and monitoring of the Board functioning independent of Management;
- 3.1.17 The review and monitoring of the integrity of the senior executives of the GTHA and as to the culture of integrity throughout the GTHA;

- 3.1.18 The review and monitoring of availability to the senior executives to provide industry expertise and advice;
- 3.1.19 The review and monitoring of and/or provide direction to Management regarding all New Tenant Sales Agreements, or miscellaneous Land Sale Agreements which are other than in the ordinary course of business and exceed a value of \$500,000; based on a President & CEO submission to the Audit & Finance Committee and the Committee's recommendation. Since sale negotiations may be time sensitive, Board and Committee reviews will likely be undertaken through conference calls at the call of the Board or Committee Chair rather than through the regularly scheduled Board or Committee meetings.

4. LEGAL RESPONSIBILITIES

- 4.1 In discharging its legal duties and statutory responsibilities, the Board shall ensure that the Corporation establishes appropriate and effective policies and procedures to:
 - 4.1.1 operate at all times within applicable laws and regulations;
 - 4.1.2 operate in accordance with the highest ethical and moral standards; and
 - 4.1.3 properly prepare, approve and maintain GTHA corporate documents and records.
- 4.2 In performing their legal duties, Directors shall:
 - 4.2.1 act honestly and in good faith with a view to the best interests of the GTHA, while taking into account the public policy and business objectives of the GTHA;
 - 4.2.2 exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstance; and,
 - 4.2.3 comply with the provisions of *The Global Transportation Hub Authority Act*.

5. MANAGEMENT RESPONSIBILITIES

- 5.1 The Board discharges its statutory obligation to manage the affairs and business of the GTHA by delegating certain of its powers to officers and employees of the GTHA.
- 5.2 Management is responsible for the day-to-day operations of the GTHA, acting within approved Board policies and directives.

- 5.3 The Board, in addition, requires management to:
- 5.3.1 develop for recommendation to the Board a vision and mission for the GTHA and strategic plans, operating plans and budgets to achieve the vision;
 - 5.3.2 establish, prioritize and achieve GTHA strategies, goals and operational plans, and measure performance indicators;
 - 5.3.3 identify, prioritize and manage the principle risks to the GTHA;
 - 5.3.4 appoint, train, motivate, monitor and evaluate employees and develop an effective succession plan;
 - 5.3.5 propose and implement policies and processes to enable effective communication with the shareholder, stakeholders and the public;
 - 5.3.6 design and implement policies and procedures to ensure the integrity of the GTHA's internal control and management information systems;
 - 5.3.7 provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities;
 - 5.3.8 establish and implement policies and procedures to ensure statutory and compliance responsibilities are met, and that the GTHA establishes appropriate and effective policies and procedures to:
 - a. operate at all times within applicable laws and regulations;
 - b. operate in accordance with the highest ethical and moral standards; and,
 - c. properly prepare, approve and maintain GTHA corporate documents and records.
 - 5.3.9 submit to the Audit & Finance Committee a written summary with recommendation and rationale for all New Tenant Sales Agreements; and miscellaneous Land Sale Agreements, which are other than in the ordinary course of business and exceed \$500,000.

6. MEETINGS

- 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 Directors of the Board, provided that:
- 6.1.1 the Board shall meet at least four times annually on a regular schedule, after each quarter to review quarterly performance. Additionally, the Board shall also meet once per year as a strategic planning session;

- 6.1.2 a meeting of the Board may be called on the direction of the Chair of the Board, the President & CEO of the GTHA or by any two members of the Board, and subject to quorum being achieved, the meeting shall convene on the date and time set by the Notice of Meeting;
- 6.1.3 a quorum for meetings shall be the majority of the Directors of the Board and the Chair or Vice Chair present either in person or by telephone or other telecommunications device that permits all Directors participating in the meeting to speak to and hear each other;
- 6.1.4 if the Chairperson is absent or unable to act or the office of Chairperson is vacant, the Vice Chairperson shall perform all the duties and may exercise all the powers of the Chairperson;
- 6.1.5 if, in the circumstances mentioned in subsection (6.1.4), the Vice Chairperson is absent or unable to act for any reason or if the office of Vice Chairperson is vacant, another member of the Board designated by resolution of the Board is to act as Chairperson and, while so acting, shall perform all the duties imposed on, and may exercise all the powers of, the Chairperson; reasonable notice, preferably seven days before the meeting at a minimum, shall be given in writing, by e-mail to each member of the Board;
- 6.1.6 the Agenda and associated material shall be sent to each member of the Board prior, preferably seven days, prior to such meeting;
- 6.1.7 a Director may, in any manner, waive a notice of meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called. Also, attendance of a Director at the meeting can be a waiver of notice of the meeting where a Director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called;
- 6.1.8 the Board shall have the right to determine which non-Board members are and are not present at any part of the meetings of the Board;
- 6.1.9 there shall be an In Camera session at each Board meeting.

7. REMUNERATION

- 7.1 The rates of remuneration and reimbursement of expenses for Directors of the Board, other than government employees, is fixed at the rates established by Crown Investments Corporation of Saskatchewan (CIC) for Directors of subsidiary Crown Corporations at the level of a Tier II Crown Corporation. (Section 13)

8. MINUTES AND REPORTING RESPONSIBILITIES

- 8.1 An outline of material proceedings and deliberations addressed by the Board, and all recommendations, decisions and directives of the Board shall be recorded by the Corporate Secretary in the minutes of the meeting.
- 8.2 A draft copy of the minutes of a Board meeting, approved by the Chair, shall be circulated to members of the Board prior to the next regular Board meeting. A Director may request a revision to the minutes to include specific deliberations. Following approval of the minutes of the meeting by the Board, if substantive revisions have been made to the draft minutes, the minutes approved by the Board shall be re-circulated to members of the Board.

9. COMMITTEE STRUCTURE

- 9.1 The Board shall appoint any Committees that it considers necessary for the efficient conduct of the affairs and business of the GTHA and to prescribe the scope, duties and responsibilities of any Committee it appoints through Terms of Reference for the Committee.
- 9.2 The members of the Committee shall be recommended/discussed by the Chair of the Board with the Governance & HR committee and appointed by resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns or is removed by resolution of the Board or otherwise ceases to be a Director of the Board.
- 9.3 The appointment by the Board of a Committee and the assignment of duties to it do not absolve the full Board of its responsibility for the actions or decisions of the Committee. Committees shall assist with the deliberations required for the fulfillment of the Board's Terms of Reference; however, unless specifically stated otherwise, all Committees shall act in an advisory capacity only, recommending decisions to the Board for approval.
- 9.4 The Chair of the Board, in conjunction with the Committee Chairs, shall annually review the membership composition and mix of required skills and qualifications of all Board Committees.
- 9.5 The Chair of the Board shall be an ex officio member of any Committee appointed by the Board.

10. SUPPORT TO THE BOARD

- 10.1 The Board shall have access to any and all books and records of the GTHA required for the execution of the Board's obligations and, as necessary, shall discuss with appropriate GTHA officers and employees, coordinated through the office of the President & CEO, such records and other relevant matters.
- 10.2 The Board shall have the authority to retain external advisors, experts or consultants in order to properly discharge its duties and responsibilities. Any costs incurred to a Director for these consultations will be reimbursed to the Director payable by the GTHA.

11. CONFIDENTIALITY

- 11.1 All deliberations of the Board, all deliberations of the committees and all records, material and information pertaining to the GTHA obtained by a Director of the Board, shall be considered confidential. Board members shall maintain the confidentiality of such deliberations and shall safeguard such records, material and information from improper access.