



Governance Guidelines for ISC's Board of Directors & Board Committees¹

A. BOARD OF DIRECTORS

1. Board Members:

- a) The Board of Directors shall be comprised of not more than nine members, who shall be appointed by the Lieutenant Governor in Council.
- b) Each Board Member shall continue to be a Board Member until a successor is appointed, unless that Board Member resigns from the Board, or the Board Member's appointment is terminated by the Lieutenant Governor in Council. Where a vacancy occurs at any time in the membership of the Board, it may be filled by the Lieutenant Governor in Council, and the Board may make recommendations respecting appropriate skill sets and individuals to fill the vacancy.
- c) The Lieutenant Governor in Council shall designate a Board Chair from among the Board Members, and may designate another Board Member as Board Vice-Chair. If the Board Chair is absent from a meeting of the Board, the Board Vice-Chair shall perform the duties and exercise the powers of the Board Chair. If both the Board Chair and the Board Vice-Chair are absent the Chair of the meeting shall be chosen by the remaining Board Members.
- d) The Corporate Secretary to the Board shall be an employee of the Crown Investments Corporation and will not be a Director of the Corporation.

2. Board Meetings:

- a) 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 Members in collaboration with management.
- b) A meeting of the Board may be called on the direction of the Board Chair, or the President and Chief Executive Officer of the Corporation or by any two Board Members. Management shall assist in coordinating the calling of such meetings.
- c) Reasonable notice, preferably seven days before the meeting of the Board, shall be given in writing, e-mail, or by facsimile communication to each Board Member and the agenda and associated material shall be sent to each Board Member prior, preferably seven days,

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to the time for such meeting of the Board. Management shall assist in coordinating the distribution of such notices, agendas and associated materials.

- d) A Board Member may in any manner waive a notice of meeting of the Board, and attendance of a Board Member at a meeting of the Board is a waiver of notice of the meeting, except where a Board Member attends a meeting of the Board for the express purpose of objecting to the transaction of any business on the grounds that the meeting of the Board is not lawfully called.
- e) A quorum for Board meetings shall be a majority of the Board Members, who must be present either in person or by telephone or other telecommunications device that permits all Board Members participating in the meeting to speak to and hear each other.
- f) The Board shall at all times have the right to determine which non-Board Members shall and shall not be present at any part of the meetings of the Board.

3. Board Voting:

- a) The Chair presiding at any meeting of the Board shall have a vote in all matters considered by the Board.
- b) Questions arising at any meeting of the Board shall be decided by a simple majority of votes of the Board Members present, either in person or by telephone or other telecommunications device that permits all Board Members participating in the meeting to speak to and hear each other.
- c) In the event of a tie, the Board Chair shall be entitled to a second vote.

4. Board Minutes and Reporting Responsibilities:

- a) An outline of material issues 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 of the Board.
- b) A draft copy of the minutes of each Board meeting, approved by the Board Chair, shall be circulated to the Board Members prior to the next Board meeting, for approval by the Board at that meeting. A Board Member may request that the minutes be revised 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 outlining the revisions shall be re-circulated to the Board Members.

B. COMMITTEES

The following provisions apply to any and all Committees established by the Board of Directors:

1. Committee Members:

- a) The Committee Members shall be appointed by resolution of the Board.

- b) Committee Members shall continue to be Committee Members until a successor is appointed, unless the Committee Member resigns, is removed by resolution of the Board or otherwise ceased to be a director of the Corporation.
- c) Where a vacancy occurs at any time in Committee membership, it may be filled by the Board, and shall be filled by the Board if the membership of the Committee is less than three Members as a result of the vacancy.
- d) The Board, or in the event of its failure to do so, the Committee shall appoint a Committee Chair and Committee Vice-Chair from among the Committee Members. If a Committee Chair is not present at any meeting of a Committee, the Committee Vice-Chair shall perform the duties and exercise the powers of the Committee Chair.
- e) The Corporate Secretary to the Board, who need not be a Member of the Corporation, shall serve as the Secretary for the Committee.

2. Committee Meetings:

- a) The time and place of meetings of the Committee and the procedures at such meetings shall be determined from time to time by the Committee Members.
- b) A meeting of the Committee may be called by the Chair of the Committee, the Chair of the Board or President and Chief Executive Officer of the Corporation or by any two Committee Members. In addition to the foregoing, a meeting of the Audit and Finance Committee may also be called by the External Auditor or the Internal Auditor. Management shall assist in coordinating the calling of such meetings.
- c) Reasonable notice, preferably seven days before the meeting of the Committee, shall be given in writing, e-mail, or by facsimile communication to each Committee Member and the agenda and associated material shall be sent to each Committee Member prior, preferably seven days, to the time for such meeting of the Committee. Management shall assist in coordinating the distribution of such notices, agendas and associated materials.
- d) A Committee Member may in any manner waive a notice of meeting of the Committee, and attendance of a Committee Member at a meeting of the Committee is a waiver of notice of the meeting, except where a Committee Member attends a meeting of the Committee for the express purpose of objecting to the transaction of any business on the grounds that the meeting of the Committee is not lawfully called.
- e) A quorum for meetings shall be a majority of the Committee Members, who must be present either in person or by telephone or other telecommunications device that permits all Committee Members participating in the meeting to speak to and hear each other.
- f) The President and Chief Executive Officer or designate may be present at meetings of the Committee, however, the Committee shall at all times have the right to determine who shall and shall not be present at any part of a meeting of the Committee.

3. Committee Voting:

- a) The Committee Chair presiding at any meeting of the Committee shall have a vote in all matters considered by the Committee.
- b) Questions arising at any meeting of the Committee shall be decided by a simple majority of votes of the Committee Members present, either in person or by telephone or other telecommunications device that permits all Committee Members participating in the meeting to speak to and hear each other.
- c) In the event of a tie, the matter shall be referred to the Board as a whole for decision.

4. Committee Minutes and Reporting Responsibilities:

- a) All recommendations, decisions and directives of each Committee shall be recorded by the Secretary of the Committee in the minutes of the meeting.
- b) A draft copy of the minutes of each Committee meeting, approved by the Committee Chair, shall be circulated to the Committee Members prior to the next Committee meeting, for approval by the Committee at that meeting. A Committee Member may request that the minutes be revised to include specific deliberations. Following approval of the minutes of the meeting by the Committee, if substantive revisions have been made to the draft minutes, the minutes approved by the Committee outlining the revisions shall be re-circulated to the Committee Members.
- c) A written or verbal report of each meeting shall be made by the Committee Chair to the next meeting of the Board.

C. GENERAL

1. Access to Corporate Records and Employees:

In performing any of their duties and responsibilities, the Board and Committees shall have access to any and all books and records of the Corporation required for the execution of the Board's or Committee's, as the case may be, obligations and, as necessary, shall discuss with appropriate Corporate Officers and employees such records and other relevant matters.

2. Internal and External Advisors:

- a) If, in order to properly discharge its functions, duties and responsibilities, it is necessary, in the opinion of the Board or Committee, as the case may be, to obtain the advice and counsel of internal advisors, the Board or Committee, as the case may be, shall engage the necessary advisors.
- b) If, in order to properly discharge its functions, duties and responsibilities, it is necessary, in the opinion of the Board or Committee, as the case may be, to obtain the advice and counsel of external advisors, the Board or Committee, as the case may be, shall engage

the necessary advisors, provided that, in the case of a Committee, the Board has approved the engagement of such advisors.

3. Confidentiality:

All deliberations of the Board and Committees, and all corporate records, material and information obtained by a Board Member, which is not generally available to the public, shall be considered confidential. Board Members shall maintain the confidentiality of such deliberations, and shall safeguard such records and information from improper access.

4. Review of Governance Guidelines:

These Governance Guidelines shall be reviewed annually by the Governance Committee and any substantial amendments or additions to these Guidelines shall be approved by the Board as a whole.