



Board of Directors
Board Mandate and Charter

MANDATE

The Board of Directors (Board) is established under section 2 of the *Oil and Gas Activities Act* (OGAA). The Mandate of the Board is to

- (a) Enact regulations that are within the jurisdiction of the Board to enact and which the Board considers to be necessary, appropriate and effective,
- (b) Establish in accordance with section 5 (2) of OGAA
 - (i) a code of conduct policy, which includes conflict of interest, for the directors,
 - (ii) a code of conduct policy that governs the Commission employees, and
 - (iii) a whistle-blower policy,
- (c) Evaluate the performance and compensation of the Commissioner/CEO, and recommend candidate for Commissioner/CEO if emergency replacement plan invoked,
- (d) Recommend to the Minister the Commission's Service Plan,
- (e) Approve the Commission's
 - (i) Strategic Plan and annual budget,
 - (ii) capital allocations and expenditures in accordance with established policies,
 - (iii) remuneration and terms of engagement of an external auditor,
 - (iv) financial statements and disclosure documents,
 - (v) compensation structure for excluded employees, including salaries and benefits,
 - (vi) trade union negotiation mandates, including compensation structure and benefits,
 - (vii) workforce plan, and
 - (viii) annual disclosure of Executive compensation, and
- (f) Provide oversight and monitoring in respect of the Commission's performance in
 - (i) delivering the Service Plan and Strategic Plan,
 - (ii) meeting stated financial objectives and operating budget,
 - (iii) conforming to financial reporting, disclosure and internal controls,
 - (iv) implementing enterprise risk management,
 - (v) managing human resources, including the performance of the Executive,
 - (vi) delivering the Annual Service Plan Report,
 - (vii) delivering corporate communications, including public and government disclosures,

- (viii) following corporate governance practices and principles, including those respecting integrity and ethics,
- (ix) ensuring compliance with legislation within the Commission's mandate, including OGAA and its regulations, and
- (x) constructively engaging with stakeholders.

CHARTER

Committees of the Board

The Board may establish one or more standing or *ad hoc* committees to assist the Board in discharging its duties. Committees may not make decisions on behalf of the Board and may only make recommendations to the Board for its consideration.

The Board has established an Audit Committee, a Governance and Human Resources Committee and a Regulatory Committee, each with its own mandate and charter.

The Board may appoint, remove or replace committee members and will designate a Chair for each Committee. In appointing Committee members, the Board Chair will ensure that

- (a) each member of a Committee has (or can obtain them within a reasonable time) the competencies required for that Committee,
- (b) each member of the Audit Committee is an independent member, and
- (c) the majority of the memberships of each of the Governance and Human Resources Committee and the Regulatory Committee are independent members and the Chair of each of these committees is an independent member.

Corporate Governance Practices and Principles

The Board is committed to exercising best practices in corporate governance and will comply with the direction provided by the provincial Crown Agencies and Board Resourcing Office. Without limiting this, the Board will, at least annually, ensure that

- (a) the skill competencies required of the Directors, both generally and in respect of specific Committees, are identified,
- (b) new Directors are provided with an effective orientation program,
- (c) Directors are provided with reasonable training opportunities to enhance their respective Director related skills,
- (d) the performance and independence of Directors, is assessed,
- (e) the performance of the Committees and the Board is reviewed,
- (f) the Mandate and Charters of the Board and the Committees are reviewed, and
- (g) the Board maintains an effective succession management plan and professional development plan.

External Board Advisory Committee

The Board may, from time to time, establish an advisory committee under section 11 of OGAA to consider or inquire into any matter and to report its findings and to provide its advice to the Board.

General

The Board will carry out such activities, including those specified in the Board's Work Plan/Calendar, as it determines are necessary and appropriate to discharge its Mandate. Appendix A applies to the activities of the Board.

APPENDIX A

Provisions Applicable to the Board and Committees

Unless the context otherwise provides, the following provisions apply to the Board and Committees and to the members of the Board and Committees:

I. General

1. Member Qualifications

In addition to possessing the qualities as a Director, each member of a Committee will either

- (a) have an understanding of matters contained in the Mandate of that Committee, or
- (b) commit to understanding such issues in a timely manner.

2. Code of Conduct

The members will comply with the Code of Conduct for Directors. The Board and Committees expect Senior Management to comply with the Code of Conduct for Employees and with corporate policies.

3. Reliance on Management Experts

In the Board or Committee's discharging of its duties, each member may rely in good faith on any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person. In doing so, the member must have considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided is reasonable. Generally, good faith reliance does not require that the member question the honesty, competency and integrity of management or the expert unless there is a reason to doubt their honesty, competency and integrity.

4. Limitations on Duties

The following limitations apply to the Board and Committee performance of duties:

- (a) each member is obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing imposes on any member a standard of care or diligence that is more onerous or extensive than the standard to which all Board members are subject; and
- (b) the Board or Committee's level of oversight and monitoring need only be sufficient to
 - (i) gain reasonable assurance (but not to ensure), and
 - (ii) enable a Committee to report that reasonable assurance to the Board.

II. Operating Principles and Practices

1. Communications

The Chair and members expect to have direct, open and frank communications throughout the year with Senior Management, other Committee Chairs and other key Committee consultants as applicable.

2. Annual Work Plan

The Board and each Committee, in consultation with Senior Management, will develop an annual Work Plan responsive to the Board or Committee's responsibilities.

3. Meeting Agenda

Board and Committee meeting agendas are the responsibility of the Board or Committee Chair, in consultation with Senior Management.

4. Committee Expectations and Information Needs

The Committee will communicate its expectations to Senior Management with respect to the nature, timing and extent of its information needs.

5. External Resources

To assist the Committee in discharging its responsibilities, the Committee may, at the expense of the Commission, retain one or more persons having special expertise.

6. In Camera Meetings

At each Board and Committee meeting, the members will meet in private session with the members only and may hold whatever additional in Camera meetings that are considered advisable in the circumstances.

7. Reporting to the Board

After each Committee meeting, the Committee, through its Chair, will report to the Board (at its next regular meeting).

8. Committee Chair's Job Description

The Committee will ensure that there is a Board approved job description for the Committee Chair. The Committee will periodically review the job description and, where appropriate, recommend amendments for approval by the Board.

III. Operating Procedures

1. Calling of meetings

The Board and Committees will meet at least four times annually. Meetings may be held at the call of the Chair or upon the request of two or more members. A simple majority of members forms a quorum. In the absence of the Board or Committee Chair, respectively, the members will appoint an acting Chair.

2. Attendance at meetings

The following apply in respect of attendance at meetings:

- (a) members may attend in person or through telephone or other electronic means;
- (b) any Director may attend any Committee meeting but may only vote if on that Committee;
- (c) unless the Committee otherwise specifies, the Corporate Secretary will attend each meeting;
- (d) the Committee may invite any employee of the Commission or any other person to attend a Committee meeting to participate in the discussion and review of the matters considered by the Committee.

3. Decision making

Each member (including the Chair) is entitled to one vote in a Board or Committee proceeding. The powers of the Board or Committee may be exercised

- (a) at a meeting at which a quorum is present either in person or by telephone or other electronic means, or
- (b) by a resolution approved by all members entitled to vote on that resolution.

4. Minutes

Unless the Board or Committee otherwise specifies, the Corporate Secretary or Assistant Corporate Secretary will

- (a) keep minutes of Board and Committee meetings, and
- (b) provide a copy of the minutes, in a timely fashion, to each member and to each Director of the Board or Committee.

5. Conducting investigations

The Board or a Committee may, as it deems necessary or advisable for carrying out its duties and discharging its responsibilities, conduct any investigation and in doing so may

- (a) access any executive, employee or agent of the Commission, and
- (b) at the expense of the Commission, retain advisors to assist with the investigation.