



Corporate Governance Manual

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AMENDMENTS

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1 Introduction

1.1 Background

The Atlantic First Nations Water Authority (AFNWA) was created to manage the delivery of safe drinking water and wastewater in participating First Nation communities in Atlantic Canada. The AFNWA is a First Nation owned non-profit organization with a triple bottom line approach based on social, economic and environmental impact. The AFNWA is incorporated under the *Canada Not-for-Profit Corporations Act* (the *Act*).

The AFNWA will apply First Nations traditional knowledge and culture, and will emphasize environmental stewardship, the spiritual aspects of water and Two-Eyed Seeing, which integrates science-based decision making with a respect for traditional knowledge.

To ensure the AFNWA is and remains aligned with First Nations values, culture and knowledge, the Elders will provide advice to the Board through an *ex officio* advisory committee.

1.2 Purpose of the Corporate Governance Manual

The Corporate Governance Manual describes the Board's responsibilities and identifies the governance principles the Board has chosen to govern the AFNWA. The purpose of the Corporate Governance Manual is to ensure the AFNWA has an effective corporate governance system to guide the organization in achieving its corporate objectives. It delineates and describes the roles and responsibilities within this governance system.

The roles and responsibilities of the Board of Directors of the AFNWA (the Board) derive from the *Act*, common law standards of fiduciary responsibility, and the Board's own decisions related to the manner in which it chooses to meet those responsibilities.

The Corporate Governance Manual is an addition to, and not a substitution for, the *Act* or any common law principles of director duties, responsibilities and standards of care. Furthermore, if the Governance Manual is in conflict or contradiction to any other AFNWA policy, the Governance Manual takes precedent until the policy is amended by the Board.

1.3 Adoption of the Corporate Governance Manual by the Members of AFNWA

Any First Nations who elect to participate in the AFNWA by Band Council Resolution will be given the opportunity to review the Corporate Governance Manual. By electing to participate in the AFNWA, as evidenced by the passing of a Band Council Resolution, all members will be deemed to have adopted and will be bound by the Corporate Governance Manual, as may be amended from time to time.



2 Vision, Mission, Strategic Goals and Objectives for the AFNWA

2.1 Vision

To be a recognized leader for the delivery of water and wastewater services to First Nation communities across Canada.

2.2 Mission

To provide safe, clean drinking water and wastewater in all participating First Nations communities in Atlantic Canada, delivered by a regional water authority owned and operated by First Nations.

2.3 Strategic Goals

- To integrate First Nation culture and tradition and realize aspirations to achieve self-determination
- To support long-term self-governance
- To improve service delivery
- To ensure effective governance of the AFNWA
- To ensure financial sustainability of the AFNWA

2.4 Objectives for Governance and Accountability

- To ensure that the Board of the AFNWA is truly representative of the Owners
- To ensure that the values of engagement, openness and transparency are reflected in the governance and accountability of the AFNWA
- To ensure that the personal qualities and business experience of Directors is consistent with those required to oversee the AFNWA's mission, vision and business strategy
- To ensure that Directors are qualified and suited to deal with the opportunities and risks facing the AFNWA, its proposed strategies and its ongoing needs and circumstances
- To apply First Nations traditional knowledge and culture, including environmental stewardship, the spiritual aspects of water and Two-Eyed Seeing

3 Governance Responsibilities

3.1 Governance Principles

Governance is the process and structure for decision-making within an organization, with a view to establishing clear responsibilities and accountabilities. Effective governance provides a framework for action and implementation that enables an organization to operate with confidence to achieve its mission and vision.

The Board of the AFNWA believes that effective and efficient governance is an essential foundation for the organization's success. The following principles describe the governance philosophy endorsed by the Board:



We believe that:

- Our governance must never lose sight of our reasons for being - our organization was established to manage the delivery of safe drinking water and wastewater in participating First Nation communities in Atlantic Canada.
- The best interests of the AFNWA are served when the reasons for its creation are advanced. These include:
 - providing an important precedent for First Nations communities across Canada, and the Government of Canada, as they consider self-governance, self-determination and contemplate coordinated service delivery opportunities across multiple sectors;
 - establishing a culturally appropriate, service oriented and technically strong First Nations water authority that will own, operate and maintain water and wastewater facilities on their reserves;
 - applying First Nations traditional knowledge and culture, while emphasizing environmental stewardship, and the spiritual aspects of water
- It is important to apply Two-Eyed Seeing, which integrates science-based decision making with a respect for traditional knowledge
- All Directors, no matter how they are appointed to the Board, have a fiduciary duty to act in the best interests of the organization as a whole (and not any particular stakeholder interests)
- Our decision-making methods (i.e. consensus, majority vote, etc.) should be clear before we are called upon to decide matters
- Once decisions are made in accordance with the processes and structures in place, Directors should publicly support the organization's decisions
- Our governance should be rooted in ethical conduct and legal compliance
- Our governance should promote and preserve public trust in the AFNWA
- (versus operationally focused on day-to-day management issues)
- Our governance should be based upon clearly defined and respected responsibilities and roles (e.g. of the system organizations, stakeholders, the Board and the CEO)
- Decisions at all levels of the AFNWA should be based upon reasonable evidence/information, including the consideration of trends and their implications for our organization
- Our governance needs to foster the ability to make difficult decisions and to advance the mission of the organization
- Effective planning, implementation and monitoring/reporting systems are foundations for our organization's accountability
- Our governance should foster proactive policies and decision-making versus reactive policies, and should encourage the public to look to and respect the ability of the AFNWA to solve major issues or concerns (versus government or the courts)
- Our governance should focus on the AFNWA as an independent and autonomous organization, while remaining accountable to the Owners

3.2 Legislative Authority

The AFNWA is a privately owned non-profit organization created under the *Canada Not-for-Profit Corporations Act*. The AFNWA is owned by the First Nations communities. AFNWA will acquire use and control over drinking water and wastewater assets or control over municipal transfer agreements from First Nation communities to fulfil its mandate. The AFNWA will adhere to the *Guidelines for Canadian Drinking Water Quality* established by Health Canada and the *Wastewater System Effluent Regulations* through the federal *Fisheries Act*.



3.3 Appointment and Membership of the Board

The Board for the AFNWA will consist of up to fifteen (15) Directors comprised of twelve (12) representatives from First Nation communities and three (3) *ex officio* technical experts. The Board will oversee the activities and operations of the AFNWA and will establish committees as needed to advise the Board.

Directors will be selected by the Owners and will be appointed to serve four (4) year terms, with the terms of one quarter of Directors ending in each fiscal year of the AFNWA. A minimum of two thirds of the Directors will be Chiefs. The Board will elect the Chair and Vice Chair of the Board. The Chair will be appointed for a term of five (5) years and the Vice Chair for a term of four (4) years. No Board member can serve more than two terms to ensure appropriate renewal and revitalization of the Board.

3.4 Board Culture

The Board expects ethical and business-like conduct of its Directors and of itself as a whole. Directors are accountable for exercising their powers and discharging their duties honestly, in good faith and in the best interests of the AFNWA. This accountability supersedes the personal interest of any Director.

In order for the Board to be an effective decision-making “unit” and to add value to the AFNWA through its collective action, the Directors need to develop a “high performance” culture that supports this.

The Directors define their desired board culture as one in which:

- The Board functions as a team and speaks with one voice
- The Board is open, transparent and accountable with respect to its decisions
- Directors are encouraged to engage in healthy debate with a view to constructively exploring solutions that are in the best interests of the AFNWA
- Directors are very aware of conflicts of interest (be they real, potential or perceived) and are vigilant about raising them, discussing, and resolving them
- Directors are mindful and/or aware of all stakeholder interests – in other words, during the “information in” discussion phase of a particular matter, a broad range of stakeholder interests may be identified and discussed; however, once the Board moves to the decision-making phase, the Board must weigh any competing interests and make a decision that is in the long-term best interests of the AFNWA
- The Board will collectively seek solutions that are in the best interests of the AFNWA as opposed to individual stakeholder interests
- There is a strong deference to Committee work, assuming that there are opportunities for “broad Board input” at initial stages of a Committee’s consideration of an issue and that the Committee reporting back to the Board outlines the process and alternatives considered in coming to a particular recommendation
- The Board will make difficult decisions to allow the AFNWA to advance its mission
- The Board strives for consensus
- The Board strives for excellence, not perfection; it supports the concept of continuous improvement and learns from both its successes and challenges
- The relationship between the Board and the CEO and the COO is based on trust, collaboration and clear understanding of responsibilities
- The Board is flexible enough to recognize that a changing environment may require “mid-course” corrections to previously approved plans
- The Board makes decisions based upon research and evidence as opposed to anecdotal information
- Directors act as valuable “early warning signals” by identifying potential issues or risks to the Chair or the CEO, based upon their knowledge of stakeholder groups



Each newly appointed Director shall receive an orientation, which will include a review of the Board Culture.

3.5 Accountability

The Board will govern in accordance with its Board Culture and specific accountabilities. Subject to the Board Culture and Section 3.8 Confidentiality, there should be openness and transparency regarding all matters considered by the Board, other than for:

- (a) acquiring or selling property;
- (b) personnel matters;
- (c) employee relations issues;
- (d) contract negotiations;
- (e) litigation and potential litigation;
- (f) legal advice;
- (g) security; and
- (h) other confidential matters designated by the Board.

3.6 Fiduciary Responsibilities

The legal duties and responsibilities of Directors have their roots in:

- the legal documents that establish the AFNWA (e.g. the Articles and Bylaws);
- the common law duties and responsibilities applicable to directors of non-profit corporations, as outlined in various court cases; and
- the statutory duties set out in the *Act*

Generally speaking, these duties and responsibilities are complementary.

Directors are “fiduciaries” of the AFNWA. The relationship of a fiduciary is similar to that of a trustee, such that a heightened degree of integrity and standard of care is owed to the corporation. Generally, each Director must act honestly and in good faith with a view to the best interests of the AFNWA, avoid personal conflicts of interest and at a minimum must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Acting Honestly and in Good Faith:

A Director’s ultimate responsibility, as a matter of law, is to promote and act in good faith with a view to the best interests of the AFNWA.

Fulfilling this duty means:

- bringing a vision to your work that considers all Owners, as a whole, while recognizing the importance of regional concerns;
- not withholding sensitive and important information affecting the AFNWA;
- taking positive, proactive steps to protect the interests of the AFNWA when and as needed;
- publicly defending AFNWA policies and decisions; and
- working to build trust and co-operation among Directors and with AFNWA stakeholders.



Care, Diligence and Skill:

As a fiduciary, Directors must also devote sufficient time and attention to the affairs of the AFNWA, so they are in a position to exercise informed judgment. The duty to exercise care, diligence and skill does not require that Directors must meet a standard of perfection. The standard of care requires, at a minimum, that a Director exercise their responsibilities on a basis equivalent to what a reasonably prudent person would do in comparable circumstances. A Director may be expected to meet a more subjective standard to the extent that they possess a unique expertise or skill (i.e. accounting, legal, engineering, or other professional expertise).

3.7 Governance Charter

In addition to meeting the requirements established by law, the Board will be accountable to provide effective stewardship and strategic leadership for the AFNWA by fulfilling the following key governance responsibilities:

3.7.1 Mission, Vision and Strategic Goals

- Approve, affirm (as part of the regular business planning process) and continually support the Mission, Vision and Strategic Goals of the AFNWA
- Ensure that the AFNWA's values are clearly stated, widely shared and provide a framework for decision-making throughout the AFNWA

3.7.2 Policy Development

- Approve a process for the development and periodic review of policies
- Determine and approve policies of the AFNWA
- Approve governance policies in areas relating to the Board's stewardship responsibilities
- Delegate operational policy development and approval to the CEO
- Ensure that systems are in place to (a) identify the need for policies, (b) review and monitor the effectiveness of AFNWA policies and (c) report on compliance with AFNWA policies

3.7.3 Strategic Plans & Corporate Performance

- Provide strategic direction in the development, including the development of goals for the AFNWA Strategic Plan, and final approval of the Strategic Plan
- Contribute to and support the AFNWA Strategic Plan
- Approve the Annual Business Plan prepared by the CEO, ensuring alignment between the AFNWA Strategic Plan and the Annual Business Plan
- Approve the process for strategic planning and annual business planning
- Monitor the performance of the CEO through a performance measurement system that is linked to the AFNWA's Strategic and Annual Business Plan

3.7.4 Relationship with Chief Executive Officer

- Appoint and determine the duties and remuneration of the CEO
- Respect and ensure good clarity between the roles of the Board and the CEO
- Monitor and annually evaluate the CEO's performance in relation to performance expectations determined by the Board and agreed to by the CEO

3.7.5 Financial Oversight

- Consider and approve the Annual Business Plan prepared by the CEO and comprehensive budget for the AFNWA; ensure that these are aligned with the AFNWA Strategic Plan



- Receive quarterly financial statements from the CFO, accompanied by a compliance certificate
- Appoint an external auditor
- Approve annual audited financial statements
- Review and approve material transactions as defined by policy
- Approve the AFNWA's financial policies and procurement policies
- Provide high-level stewardship over the resources of the AFNWA in order to ensure long-term sustainability
- Provide management of and any limitations on budget deficits

3.7.6 Risk Management Oversight

- Understand the principal risks facing the AFNWA and receive and consider an annual review of enterprise risk assessment
- Ensure that there are policies in place to mitigate/manage those risks and monitor the effectiveness of those policies, including but not limited to:
 - Insurance coverage (adequacy and completeness)
 - The security of information technology and organizational data.
 - Business continuity, specifically contingency plans for the recovery of systems, data and operations, frequent testing of the recovery plan, assignment of roles and responsibilities of personnel within a continuity plan, communicate plan to all affected persons and review plan annually.
 - Whistleblower and Fraud Policy
 - Annual internal audit, defined in Financial Policy, prepared by the CFO.
 - The management and safeguarding of tangible assets, as well as implementation of safeguards to preserve the value and longevity of tangible assets.

3.7.7 Human Resources Oversight

- Ensure, through the CEO, that the AFNWA develops and maintains a long-term, comprehensive, human resource plan, oriented towards the recruitment of qualified First Nation employees
- Ensure that policies and systems are in place to foster a work environment that attracts, develops and retains talented First Nations employees and other employees
- Ensure that a succession plan is in place for the CEO position and that the CEO, in turn, has a succession plan in place for senior leadership and other key positions within the AFNWA

3.7.8 Communications, Stakeholder Relations, Advocacy and Accountability

- Ensure that the AFNWA has policies and systems in place to:
 - protect and continuously enhance the AFNWA brand and reputation;
 - maintain strong and effective relations with all stakeholders, including First Nations communities;
 - promote the principles of open and transparent dialogue and discussion with our stakeholders;
 - advocate on behalf of the AFNWA and its strategic priorities;
 - appropriately receive and address stakeholder concerns/complaints;
 - demonstrate accountability to its Owners; and
 - monitor the AFNWA stakeholder relations and advocacy
- The approval of a report to Owners on the AFNWA's progress towards all plans through a written annual report available to all Owners within 180 days of fiscal year end, which must include but is not limited to; a description of strategy used to achieve purpose, goals, and performance measures



in comparison to expectations, risks and opportunities. Environmental, Social, and Governance considerations, financial highlights, and future outlook.

- Ensure that the AFNWA has a communications plan in place that aligns with its Annual Business Plan and that fosters open, honest and accountable communications with stakeholders

3.7.9 Board Governance

- Oversee the appointment process for new Directors, selection of the Chair and Vice Chair
- Ensure that Directors have a thorough initial orientation followed by ongoing opportunities to increase their capabilities as Directors of the AFNWA
- Annually establish goals for the work of the Board and organize/adapt the Board Committees and meeting agendas to accomplish these goals
- Approve the structure and terms of reference of Board Committees
- Annually evaluate the performance of the Board, its Chair, Vice Chair and its Committees
- Foster an effective relationship with the CEO with oversight from the Board Executive (Chair and Vice Chair)
- Review Governance Policies and Board practices in the context of evolving standards of governance
- Ensure that a policy and process is in place to identify and resolve conflicts of interests on the part of Directors

3.8 Confidentiality of Information

These guidelines have been developed with the intention of protecting information, the confidentiality of which is essential to effective decision-making by the Board, and the development of public education and awareness.

The Board shall adhere to privacy legislation, as applicable. In addition, the Board's broader goal of fair, efficient and effective decision-making may, in some circumstances, place restrictions on the release of information. It is particularly important that confidential information not be disclosed to anyone without the express authority of the Board as a whole. Directors are encouraged to participate in communications that assist in educating the public, employees and stakeholders about the role of the Board.

Directors may find the following guiding principles to be of assistance:

- (a) The content of a specific AFNWA file which contains personal information should never be disclosed.
- (b) The substance of the Board's oral deliberations should not be disclosed.
- (c) Agenda items for future Board meetings may be disclosed to facilitate general consultations with constituents regarding such agenda items. Specific options or recommendations advanced by the CEO for discussion at future Board meetings should not be disclosed.

Written materials received by Directors that analyze and review general issues may be disclosed in accordance with any disclosure policy or protocol approved by the Board, provided such disclosure does not include sensitive commercial, private, personnel or community member information.



3.9 Conflict of Interest Guidelines

As detailed in Section 3.4 and Section 3.6, the members of the Board are accountable for exercising their powers and discharging their duties honestly, in good faith and in the best interests of the AFNWA as described in Section 3.1. When there is a conflict of interest, the Director's ability to discharge their responsibilities to the AFNWA is inhibited. For that reason, where a conflict of interest is declared to exist by a Director or the Chair, the Director must refrain from voting on or participating in any way in any matter in which the conflict exists and must refrain from any attempt to influence decision-making on any such matter.

For the purpose of these guidelines, a conflict of interest exists where a Director's outside interests, whether personal, familial, financial, professional or otherwise, have an undue influence or may reasonably be perceived to have an undue influence on the member's discharge of their responsibilities as a Director.

It is impossible to enumerate all of the situations in which a conflict of interest might be said to exist. However, examples where a conflict of interest exists include:

1. A Director accepts or is offered any compensation in any form that is related to their discharge of the duties of a Director, other than their remuneration from the Board or salary offset from their employer while attending to the work of the Board
2. A Director is a current or former board member of an organization that receives substantial funding from the AFNWA where the decision to provide such funding is made by the Board
3. A Director has an interest (i.e., an investment) in another organization supplying products or services to AFNWA customers or employees
4. A Director is employed by a company bidding on a contract with the AFNWA
5. A Director has an association (e.g., family member, close friendship, etc.) with the principals of any firm bidding to provide external audit services to the AFNWA
6. A Director makes very public statements regarding their individual position on an issue that indicates they are unable to change that position and participate in consensus decision-making on the issue
7. A Director is unwilling to take a position that is contrary to that taken by other Board colleagues representing the same stakeholder or Owner group
8. A Director feels compelled to follow a stakeholder or Owner's position rather than exercising their own judgment about an issue;
9. A Director feels compelled to give stakeholders advance notice (i.e., before a decision is made) that a decision they may not like is about to be made by the Board;

The Board as a whole relies on individual Directors to promptly report the existence of or the possibility of an actual or perceived conflict of interest. When a conflict does or may exist, the Director must declare the conflict and either voluntarily withdraw from consideration of the matter at issue or allow the Chair to take appropriate action. The Chair need not wait for the Director to report a conflict and may raise an actual or perceived conflict of interest with a Director.

When there is, in the opinion of the Director or of the Chair, an actual or possible conflict of interest, the Director must identify and disclose to the Chair all details of the situation pertinent to the determination by the Chair of whether a conflict of interest exists, and if so, the appropriate remedy.

If the Chair determines there may be an actual or perceived conflict of interest of a Director, the Chair may take whatever action he or she deems appropriate to resolve the conflict, including but not limited to the following:



- (a) Directing the Director to divest themselves of the outside interests;
- (b) Directing the Director to transfer the outside interests to a neutral or third party;
- (c) Publicizing the potential conflict so that actual conflict may be avoided; or
- (d) Excluding the Director from discussions or decisions relating to the matter in which the Director has a conflict of interest.

AFNWA Board Members may not solicit or accept gifts in exchange for future considerations. Board Members shall not accept gifts other than incidental gifts, customary hospitality, or other benefits over \$150 in their capacity as a director.

3.10 Elder Advisory Lodge

Elders play a crucial role in First Nation communities, as First Nation communities have both formal and informal leadership. To ensure the AFNWA is and remains aligned with First Nations values, culture and knowledge, the Elders will provide advice to the Board through an *ex officio* advisory committee. The Chair of the Elder Advisory Lodge will have the right to attend and participate in meetings of the Board as an *ex officio*, non-voting member.

The Elder Advisory Lodge will be comprised of five (5) Elders selected by the Owners and will be appointed to serve four (4) year terms.

4 Board Roles

4.1 Role and Responsibilities of the Chair

The Chair shall be selected by the Board. The Chair may be appointed for a term of not more than five years and may be re-appointed once for a consecutive term.

Where the Chair is absent, or is unable to act as Chair, or there is a vacancy in the office of the Chair, the Vice Chair exercises the powers and discharges the duties of the Chair. If both the Chair and the Vice Chair are absent or are unable to act as Chair the remaining Directors may select a Director to act in such capacity (the Acting Chair).

4.1.1 Board Operations

In accordance with governance principles of leadership and stewardship, the Chair of the Board:

- Determines, in consultation with the Board, the times and places of meetings of the Board
- Will call and preside over Board meetings and shall exercise all powers associated with that position
- Will exercise a vote only in the instance of a tie between voting Directors
- Ensures that all business required to come before a Board meeting is brought before the Board such that the Board is able to carry out all of its duties to oversee the business of the AFNWA
- Ensures that all business set out in the agenda of the Board meetings is discussed and brought to resolution, as required
- May request a member of the Board whose term has expired or has resigned to act as a non-voting member in order to complete any unfinished duty or matter
- May delegate any power or duty conferred on the Chair to the Vice Chair
- May establish committees and sub-committees of the Board and designate members to serve



- Will determine appropriate action to resolve a conflict of interest identified by a Director or the Chair in accordance with the conflict-of-interest guidelines (outlined in Section 0)
- Shall strive to maintain communications with Directors outside of formal Board or Committee meetings

4.1.2 Corporate Communications

- Shall issue and be responsible for documents pertaining to the decisions of the Board
- Along with the CEO, the Chair may act as the spokesperson for the AFNWA as it pertains to Board governance and enterprise oversight and risk management

4.1.3 Human Resources Management and Performance

- Provides guidance and direction to the CEO on behalf of the Board
- Presents the Board’s CEO evaluation to the CEO
- Approves CEO expenses

4.1.4 Expectations of the Chair

- | | |
|--------------------------------------|--|
| <i>During board meetings</i> | <ul style="list-style-type: none"> ▶ Know the Board ▶ Remain objective when framing issues ▶ Keep the meeting focused ▶ Maintain effective meeting discipline ▶ Demonstrate leadership ▶ Offer their own perspective when appropriate ▶ Know when to “call it” – determine when the Board is in “diminishing returns” territory ▶ Use judgment when potentially contentious issues are on the table ▶ Value the importance of consensus decision-making ▶ Be prepared – the Chair should be the most informed Board member on most matters ▶ Be courageous ▶ Apply the principle of Two-Eyed Seeing, which integrates science-based decision making with a respect for traditional knowledge |
| <i>Between board meetings</i> | <ul style="list-style-type: none"> ▶ Provide feedback to the CEO on Management’s participation in the meetings ▶ Have ongoing interactions with the CEO, Secretary and Committee Chairs (as required) regarding agenda planning and advancement of committee work ▶ Represent the Board at meetings and other functions ▶ Act as the chief spokesperson for the Board ▶ Attend external meetings as necessary ▶ Keep the Board informed of significant/sensitive issues ▶ Be an effective relationship builder – with Directors, stakeholders, Elders, etc. ▶ Represent the AFNWA within Atlantic Canada and nationally ▶ Advance Board business between meetings |



- ▶ Play a mediation role with Directors between meetings in order to facilitate consensus
 - ▶ Be a sounding board for other Directors and provide feedback to Directors as appropriate
- Interactions with Management***
- ▶ Develop a strong working relationship with the CEO (and the Senior Management team as appropriate)
 - ▶ Foster a relationship with the CEO that is mutually supportive, loyal, honest and objective
 - ▶ Act as a sounding board for the CEO
 - ▶ Be cognizant that the Chair represents the Board in their relationship with the CEO
 - ▶ Provide coaching, mentoring and leadership to the CEO
 - ▶ Have regular contact with the CEO (and the Secretary)
- Ongoing learning and development***
- ▶ Remain apprised of best practices and developments relating to the work as a Director/Chair, specifically through interactions with other water and wastewater service providers
 - ▶ Participate in professional development according to standards set by the Board
 - ▶ Encourage growth and development of leadership among Directors

4.2 Role and Responsibilities of the Vice Chair

The Board appoints the Vice Chair. The Vice Chair may be appointed for a term of not more than four (4) years and may be re-appointed once for a consecutive term.

In accordance with governance principles of leadership and stewardship, the Vice Chair of the Board:

- shall exercise the powers and the duties of the Chair during an absence or vacancy in the office of Chair;
- shall be familiar with the ongoing work of the Board and the AFNWA to assume the duties of the Chair if the need arises; and
- shall sit as a voting member of the Board unless required to act for the Chair.

4.2.1 Expectations of the Vice Chair

- During board meetings***
- ▶ Fulfill the expectations of the Chair in their absence
 - ▶ Provide assistance to the Chair, when required
 - ▶ Participate actively in the discussion
 - ▶ Apply the principle of Two-Eyed Seeing, which integrates science-based decision making with a respect for traditional knowledge
- Between board meetings***
- ▶ Fulfill the expectations of the Chair in their absence
 - ▶ Provide assistance to the Chair when requested
 - ▶ Develop a close working relationship with the Chair and CEO; be available and act as a thoughtful sounding board to the Chair



Interactions with Management ▶ Fulfill the expectations of the Chair in their absence

Ongoing learning and development ▶ Fulfill the expectations of the Chair in their absence

Otherwise, the expectations for individual Directors apply to the Vice Chair.

4.3 Role and Responsibilities of Committee Chairs

The Chair appoints the Committee Chairs and Committee members. In accordance with the Terms of Reference for the standing committees, the Committee Chairs:

- will call and preside over Committee meetings and shall exercise all powers associated with that position;
- establish the Committee agenda in conjunction with the Chair and in consultation with the CEO;
- may request another Director to sit in for an absent Director so the Committee may continue its work; and
- on a regular basis report on the activities, decisions, and recommendations of the Committee to the Board

4.3.1 Expectations of Committee Chairs

- | | |
|--|---|
| <i>During committee meetings</i> | <ul style="list-style-type: none"> ▶ Know the committee members ▶ Remain objective in framing issues ▶ Keep the meeting focused; keep the Committee on track and on time ▶ Maintain effective meeting discipline ▶ Demonstrate leadership ▶ Offer own perspective when appropriate ▶ Know when to “call it” – determine when the Committee is in “diminishing returns” territory ▶ Use judgment when potentially contentious issues on the table ▶ Value the importance of consensus decision-making ▶ Be prepared – the Committee Chair should be the most informed Committee member on most matters ▶ Be courageous ▶ Develop and demonstrate appropriate skill sets ▶ Apply the principle of Two-Eyed Seeing, which integrates science-based decision making with a respect for traditional knowledge |
| <i>Between committee meetings</i> | <ul style="list-style-type: none"> ▶ Provide leadership in “framing” issues and providing reports to the Board (to minimize need to rehash) ▶ Be a filter regarding the adequacy and quality of staff materials/presentations en route to the Board |



- ▶ De-brief with the designated staff support with a view to ongoing improvement in the functioning of the Committee
- ▶ Have appropriate interactions with designated staff support for the Committee regarding agenda planning and information requirements
- ▶ Liaise with the Secretary regarding scheduling of advancement of Committee work to the Board
- ▶ Keep the Committee informed of significant/sensitive issues
- ▶ Advance Committee business between meetings
- ▶ Play a mediation role with Committee members between meetings in order to facilitate consensus

Interactions with Management

- ▶ Have regular interactions with the designated staff support for the Committee regarding agenda planning and information requirements
- ▶ Develop a strong working relationship with the designated staff support
- ▶ Foster a relationship with the designated staff support that is mutually supportive, loyal, honest and objective
- ▶ Act as a sounding board for the designated staff support
- ▶ If there are any concerns about the performance of the designated staff support, do not deal with them directly but rather refer them to the CEO

Ongoing learning and development

- ▶ Higher threshold expected of Committee Chairs for remaining current on best practices within the scope of their committee's mandate
- ▶ Participation in professional development activities
- ▶ Facilitate the annual evaluation of the Committee's effectiveness and efficiency



4.4 Role, Responsibilities and Expectations of Individual Directors

In accordance with governance principles of leadership and stewardship, individual Directors shall act honestly and in good faith and exercise the care, diligence and skill of a reasonably prudent person.

During board meetings

- ▶ Attend Board and Committee meetings in their entirety
- ▶ Be prepared
- ▶ Be respectful
- ▶ Be punctual
- ▶ Participate and offer perspectives open and honestly
- ▶ Demonstrate active listening
- ▶ Be open and receptive to the views of others
- ▶ Objectively make decisions in the best interests of the AFNWA (see Section 3.1 Governance Principles) not individual stakeholder interests
- ▶ Bring forward stakeholders perspectives as “information in” but then let them go in order to make decisions in the best interests of the AFNWA
- ▶ Adhere to meeting rules/norms (King and Kerr, as default reference)
- ▶ Be constructive and helpful in your question-posing; assume good intent and seek to understand
- ▶ Don’t blame or accuse – focus on the issue not the personalities
- ▶ Identify conflicts of interest (see Section 0)

Between board meetings

- ▶ Respect the confidentiality of Board discussions (see Section 3.8)
- ▶ Listen and understand informal feedback; it is critically important not to create expectations among stakeholders
- ▶ Be informed and aware of stakeholder views/opinions on AFNWA issues
- ▶ Support the AFNWA’s formal systems for proactively seeking stakeholder input
- ▶ Fulfill advocacy/stakeholder relations role agreed upon by the Board
- ▶ Understand that not every decision needs extensive consultation with stakeholders; some simply require an exercise of good judgment on the part of the Directors themselves
- ▶ Support Board decisions, once made
- ▶ Keep abreast of developments impacting the AFNWA
- ▶ Prepare for upcoming meetings
- ▶ Follow-up on any assigned tasks/commitments
- ▶ No email conversations on substantive/controversial issues – a special meeting can be called



- ▶ Live and represent the values of the AFNWA and be an ambassador for the organization
 - ▶ Notify the Secretary in advance if unable to attend meetings
- Interactions with Management**
- ▶ Directors' primary connections to the AFNWA are with the CEO and/or Secretary
 - ▶ If you have information requests, direct them to the CEO, or Secretary; do not make requests of any other staff
- Ongoing learning and development**
- ▶ Remain abreast of best practices and developments relating to your work as a Board/Director/Committee Chair
 - ▶ Participate in professional development according to standards set by the Board

4.5 Role and Responsibilities of the CEO

Under section 142 and 143(1) of the *Act* the Board may appoint and fix the duties and remuneration of a Chief Executive Officer.

The CEO is responsible:

- a) to the Board through the Chair;
- b) for day-to-day management of the business of the AFNWA;
- c) for overseeing the administration and implementation of the policies and budgets of the AFNWA; and
- d) for carrying out any other duty or function as assigned by the Board.
- e) Ensure that all policies pertaining to risk include the appropriate procedures, review and enforcement including but not limited to:
 - insurance coverage (adequacy and completeness)
 - the security of information technology and organizational data.
 - Business continuity, specifically contingency plans for the recovery of systems, data and operations, frequent testing of the recovery plan, assignment of roles and responsibilities of personnel within a continuity plan, communicate plan to all affected persons and review plan annually.
 - Whistleblower and Fraud Policy
 - annual internal audit, defined in Financial Policy, prepared by the CFO.
 - the management and safeguarding of tangible assets, as well as implementation of safeguards to preserve the value and longevity of tangible assets.
- f) To ensure that, through the CFO, all policies pertaining to financial and fiscal management include the appropriate procedures and are subject to regular review, including but not limited to:
 - preparation of annual budgets and multi-year financial plans,
 - actively monitoring compliance with the legal obligations of the NPO and any policies and procedures respecting its financial management,
 - evaluating financial management systems and recommend improvements, develop
 - recommending procedures for identifying and mitigating financial reporting risks and risks of fraud and to ensure approved procedures are followed.



- Inclusion of provisions for the management of and any limitations on budget deficits in the annual approval of a budget for the next year.
 - Must receive audited financial statements and consider recommendation from the Audit and Finance Committee within 120 days of fiscal year end.
 - Audited Financial Statements must be signed by Chair and Vice-Chair of the Board and made available to all members (availability of statements addressed in by-laws already).
 - preparing multi-year financial plans which must include;
 - life cycle management plan of tangible assets within the capital budget (which should be included in annual budget process),
 - all required reserves,
 - life-cycle management program for tangible capital assets,
 - any planned capital asset projects.
 - Provisions to ensure alignment with and support for the strategic plan and must be based on projections of revenue and expenditures and transfers between accounts, segregated by significant category.
- g) To ensure that all policies pertaining to capital assets include the appropriate procedures and are subject to regular review, including but not limited to:
- capital projects, which includes applicable capex approval limits, specify the criteria for when a formal capital project plan is required (including monetary thresholds),
 - required capital project plan includes all information that is necessary to assist decision making to reach informed decision on the proposed capital project including financial viability, project operating requirements and risk assessment.
 - Establishing processes for the procurement, contract management, risk management and administration of capital projects that are in accordance with Generally Accepted Capital Project Management Standards in the location of the project.
 - Establishing policies and procedures respecting a documented life-cycle program that includes regular inspection, planning and oversight of tangible capital assets.
- h) To ensure that all policies pertaining to corporate governance include the appropriate procedures and are subject to regular review, including but not limited to:
- The preparation of an annual report, which must include a description of strategy used to achieve purpose, goals, and performance measures in comparison to expectations, risks and opportunities. Environmental, Social, and Governance considerations, financial highlights, and future outlook. Publication within 180 days, or less, of the fiscal year end and the means by which it is made available to all members.
 - Board members will sign the governance manual annually to acknowledge their review and understanding.
 - Ensure all policies and procedures are made available to those affected by them.
 - Ensure all policies and procedures are in compliance with all applicable legislation.



- Responsibility to maintain an updated organizational chart- inclusive of Board and committees, also ensure access to the organization chart to be provided by all persons affected by it.

The Board has the overall responsibility/authority for the control and management of the AFNWA. In practical terms, it delegates the day-to-day management of the AFNWA to the CEO and the management team. The key areas of the Board's stewardship responsibilities are found in the Board's Governance Charter as set out in Section 3.7. The Roles Analysis attached as Appendix B builds upon the *Act* and the Governance Charter by clarifying the respective roles that the Board and the CEO have in relation to the key responsibilities of the Board.

4.5.1 Delegation of Authority to the CEO

The CEO is conferred full authority, scope and executive powers by the Board, and is responsible for the day-to-day operations of the AFNWA.

The CEO is accountable to the Board for the exercising of this authority and shall be evaluated in accordance with the CEO evaluation process approved by the Board. The CEO is empowered to delegate authority to other members of Executive Management.

4.5.2 CEO Limitations

The CEO shall exercise their authority with transparency, integrity, and straight-forwardness and in a manner consistent with the *Act* and the AFNWA Code of Conduct and related policies.

The CEO shall not cause or allow any practices, activity, decision or organizational circumstances that are either unlawful, imprudent or in violation of commonly acceptable business or professional ethics.

Within the global budget, the CEO has the discretion to utilize the approved budget within the categories of operations and capital and the CEO may transfer funds between these categories subject to the limits established within the Financial Policy.

The CEO has the authority to adjust staff positions and numbers in order to achieve corporate plan objectives.

4.5.3 CEO Succession Planning

The CEO shall present an annual succession plan to the Board, including emergency and long-term succession, through the Board Executive Committee and provide timely updates should the succession plan change at any time prior to the next annual report on succession.

On an annual basis the CEO shall inform the Board of the development plans for the Executive Management team.



4.5.4 CEO Terms of Employment

Appointment of the CEO is the responsibility of the Board.

The Chair, pursuant to instructions from the Board, negotiates the terms of employment and remuneration of the CEO for approval by the Board. The CEO appointment, compensation and benefits may only be adjusted by approval of the Board.

The Board Executive Committee shall review the CEO's terms of employment each year in conjunction with the CEO's evaluation. All Directors shall receive copies of the CEO's terms of employment and the CEO's annual evaluation.

4.6 Role and Responsibilities of the Secretary

The Secretary has specific responsibilities with respect to matters relating to the Board and Committees. Accordingly, the Secretary:

4.6.1 Responsibilities to the Board – Secretary

- provides advice on governance or other issues to the Board, Board Committees, and Chair as may be requested from time to time;
- acts as a point of contact for Board member inquiries; and
- performs Board related administrative duties as detailed in Section 0.

4.7 Role and Responsibilities of the Treasurer

The Chief Financial Officer shall act as the Treasurer, unless the Board appoints a Director to act as Treasurer. Accordingly, the Treasurer:

4.7.1 Responsibilities to the Board – Treasurer

- keeps the Board informed on key financial events, trends, concerns, and assessment of fiscal health as requested; and
- performs such other responsibilities as designated by the CEO.

5 Guidelines and Terms of Reference of Board Committees

5.1 Committee Structure

The Board of the AFNWA will periodically review the structure and mandate of its Standing Committees. Generally speaking, the Board prefers to keep its committee structure "lean" with a maximum of three (3) Standing Committees. At present, the three Standing Committees are the Audit and Finance Committee, the Board Executive Committee, and the Environment, Health & Safety Committee.

5.2 Committee Work

Standing Committees are established to support the Board in fulfilling its key stewardship responsibilities. The priorities and work of the Standing Committees should align with governance priorities established annually by the



Board. The delegated policymaking, decision-making and monitoring roles should be clearly described in the Terms of Reference for each Standing Committee.

5.3 Committee Membership

The Chair has the authority to constitute the Board's Standing Committees.

The Chair will annually canvass Directors' preferences (in rank order) for committee assignments. While these preferences may be taken into consideration, the main objectives in assigning Directors to various committees will be the alignment of skills with Committee mandates, ensuring a diversity of stakeholder perspectives on each Committee and balancing the workload of Directors.

Where appropriate, in order to facilitate the work of the Committees, the Chair may appoint temporary alternates to Committees where a regular member of the Committee will be absent.

The Board also endorses the principle that periodic rotation of Directors through committees is desirable.

5.4 Committee Reports

The Board of the AFNWA delegates responsibilities to its three (3) Standing Committees. In most instances, these Committees are expected to give matters due consideration and discussion and to make policy and/or decision recommendations to the Board. In limited instances, the Committees may have been delegated actual decision-making authority, the exercise of which should be reported to the Board. Finally, Standing Committees also fulfill a monitoring role on behalf of the Board with the expectation that the completion of such monitoring together with significant highlights will be confirmed/shared with the Board.

In order to reduce any duplication of effort and to enhance confidence in the substantive work of the Standing Committees, the following guidelines have been developed for written reports to the Board by the Standing Committees.

Recommendations to the Board

A Standing Committee that is bringing a recommendation forward to the Board for either a policy matter or a specific decision should include in its written report to the Board:

- The recommendation in the form of a proposed Board resolution to be advanced by the Committee Chair at the Board meeting
- Statement of the issue to be addressed by the recommendation
- Background
- Process and information sources used by the Committee to study, discuss and come up with a recommendation
- Rationale for the recommendation
- Other options discussed by the Committee
- Key issues considered by the Committee
- Potential implications (e.g. stakeholder, financial, communications, risks)
- Related communications issues



Decisions Made by the Committee

A Standing Committee that has been delegated the authority to make decisions on behalf of the Board should include in its written report to the Board, a brief description of the decision made by the Committee.

Monitoring by the Committee

A Standing Committee that fulfills a monitoring role on behalf of the Board should include in its written report to the Board:

- The reports received and discussed by the Committee
- Significant items/developments of which the full Board should be aware

Committee reports are not intended to supersede Management reporting on the organization's performance. Where the Committee receives information/reports from Management, the Committee and the CEO or designate should clarify what, if any, reports should be brought forward to the full Board by Management and can be dealt with in the reporting of Committee highlights to the Board.

5.5 Committee Evaluations

The Standing Committees of the Board shall participate in an annual evaluation process. The purpose of the annual evaluation process is to help the Committees continuously improve their effectiveness and efficiency.

The Committee members, as well as the CEO and the Board Secretary in their capacity as *ex officio* members of the Committees, will use an evaluation questionnaire (see Appendix C attached) for the annual evaluation process. It will be distributed to Committee members using an online survey tool that enables easier analysis of the results. Normally, the evaluation questionnaire will be completed by Committee members during the third Fiscal quarter, enabling the results to be analyzed, and an evaluation report prepared for discussion by the Committee in January.

The Committee Chair will collate and analyze the feedback on a confidential basis. An evaluation report that includes a summary of the numerical ratings and highlights of the general comments will be prepared by the Committee Chair for distribution to the Committee. The Committee Chair may receive assistance from the Secretary in the compilation of results and summary of the findings.

With the benefit of the evaluation report, the Committee will then identify specific governance improvement objectives for the coming year. These assigned priorities will then be incorporated into the annual work plans of the relevant Committees and will also be incorporated into the Board's annual macro agenda.

The Committee Chair will report on the outcome of the evaluation process to the Board, particularly any recommended changes to its governance processes, as part of their report to the Board.

5.6 Standing Committees

5.6.1 Audit and Finance Committee

Management is responsible for the preparation, presentation and integrity of the AFNWA financial statements and for maintaining appropriate accounting and financial reporting principles and policies. Primary responsibility for information systems, risk management and internal controls of AFNWA is vested in management and overseen by the Board.



The external auditors are responsible for planning and carrying out, in accordance with Generally Accepted Audit Standards, an audit of the AFNWA annual financial statements.

The Audit and Finance Committee's purpose is to review the adequacy and effectiveness of these activities and to assist the Board in its oversight of:

- The AFNWA's financial affairs, policies and strategies, including its annual and long-term financial plan
- The integrity of the AFNWA financial statements
- The external auditors' qualifications and independence
- The performance of the external auditors
- The adequacy and effectiveness of corporate controls
- Risk management
- The AFNWA's compliance with legal and regulatory requirements

The terms of reference for the Audit and Finance Committee are attached as Appendix D.

5.6.2 Board Executive Committee

The Board Executive Committee assists the Board to:

- Continuously improve the effectiveness and efficiency of the Board's functioning through the adoption of progressive governance policies and practices
- Determine priorities and consider proposals for policies, governance policies and legislative/regulatory amendments
- Consider priorities for the AFNWA through the review of emerging issues and long-term trends
- Provide human resources oversight, including leadership in the annual evaluation and compensation of the CEO
- Consider appropriate levels of stakeholder involvement in relation to policy development/revision and strategic or annual business planning

The terms of reference for the Board Executive Committee are attached as Appendix E.

5.6.3 Environment, Health & Safety Committee

The Environment, Health & Safety Committee assists the Board to:

- Fulfill its role in oversight and governance by reviewing, reporting and making recommendations to the Board on the AFNWA's policies, standards and practices with respect to the environment, occupational health, safety, security, overall business conduct and ethics that reflects the AFNWA's commitment to its stakeholders
- The AFNWA's compliance with legal and regulatory requirements

The terms of reference for the Environment, Health & Safety Committee are attached as Appendix F.



6 Governance Operations

6.1 Board Meetings

Board meetings shall be held to conduct the business of the Board at the discretion of the Chair.

6.2 Authority to Preside

The Chair presides at all Board meetings and in the Chair's absence the Vice Chair shall preside, and failing the Vice Chair, the Acting Chair shall preside.

6.3 Quorum

The quorum of the Board is the Chair or Vice Chair or designated Acting Chair, and one half of the voting members of the Board.

6.4 Attendance

All Directors are expected to attend all meetings. A Director participating via conference call or via conference platform is deemed present at the meeting. If the Chair requests a Director be physically present at a meeting, then expenses will be reimbursed for attendance at the meeting.

Should a Director be unable to attend, the Director should give prior notice to either the Chair or the Secretary. Any Director who is absent from a regularly scheduled Board meeting without due cause or has failed to give prior notice shall discuss with the Chair the reason for the absence.

6.5 Meeting Conduct

Sufficient time shall be allocated for the meeting as a whole and for individual agenda items to enable all views to be heard and considered before a decision is taken.

Directors, including non-voting ones, shall participate as equals in the discussion and dissenting points of view shall be encouraged for full exploration of an issue. Directors shall participate productively in the discussion within the boundaries of conduct identified within Section 3.4 of this Corporate Governance Manual.

6.6 Motions and Voting

Motions require a mover and a seconder from the voting members of the Board.

Given the nature of the Board, significant emphasis is placed on reaching decisions by consensus. The Director or Vice Chair acting in place of the Chair may only vote in instances of a tie vote. Directors present may only abstain from a vote in a case of a conflict of interest recognized by the Chair regarding the matter before the Board.

The Board has adopted the following decision-making process:

The goal is for all Directors to be in agreement (unanimity). Steps:



- Recommendation (framed by staff and/or Committee Chair)
- Proposal framed (motion moved and seconded)
- Further discussion
- Amendments, if any
- Motion as amended
- Testing of the waters to gauge level of support (straw poll)
- Chair declares consensus – Minutes reflect motion carried
- If less than consensus, Chair discretion – keep discussing, table (postpone temporarily) or call for formal vote. Can't continuously table – need to land on a decision
- In case of formal vote – majority rules and Chair breaks a tie
- Minutes reflect motion carried or defeated

6.7 Board Agenda

The Board is responsible for its agenda. Issues will be considered that are within the Board governance roles and responsibilities.

- ▶ The Board Executive Committee shall review for recommendation to the Board the annual agenda outline and meeting schedule constructed by the Chair in consultation with the CEO; the Board macro agenda is attached as Appendix G
- ▶ Agenda items will be scheduled for discussion or decision in keeping with the AFNWA Annual Business Plan
- ▶ The Board approves the meeting agenda at the commencement of each meeting. The minutes of the previous meeting are reviewed and approved. Items requested by members may be added to the agenda with the approval of the Board; such items may be discussed at the meeting introduced or referred to staff for research and/or recommendation
- ▶ The Chair may refer matters to a Standing Committee, if the nature of the agenda item warrants
- ▶ All supporting materials provided by staff shall, where appropriate, be accompanied by a brief executive summary, which generally should not exceed two pages
- ▶ The Board shall have an *in-camera* period at each meeting

At each Board meeting the following standing items will appear on the agenda:

- **Report of the Chair** – highlights any communications, meetings held, or actions taken by the Chair between Board meetings; outlines the agenda items for the Board's consideration at the meeting
- **CEO Report** – informs the Board of significant issues, events or pending matters, internal or external, that may affect its relationship with clients and business partners, or that place at risk the AFNWA's resources, reputation or achievement of its goals and objectives; the information included may be in support of the Board's governance role as defined in Section 3.7 or for the information of the Board.
- **Business Arising Items** – information requested by the Board or updates on items presented at previous meetings; the Secretary shall track outstanding requests
- **Reports from Committees** – the Chairs or designates of each Standing Committee shall report on activities of the Committee since the previous Board meeting and bring forward recommendations and any other items for Board's decision



6.8 Board Administration

The Secretary shall be responsible for keeping the minutes of Board and Committee meetings, along with the general administration of the Board. Accordingly, the Secretary:

- provides notification to all Directors of meetings and communications as directed by the Chair or the Committee Chairs;
- attends all Board and Board Committee meetings, *ex officio*;
- records and maintains all official results of the Board and Committees including policy decisions and minutes of all official meetings;
- distributes all agenda material and documents as directed by the Chair or the Committee Chairs;
- organizes logistical support for Board and Committee meetings, Director travel to meetings and conference events; and
- provides other support functions as required from time to time by the Chair and the Board

6.9 Meeting Material

The Secretary shall distribute available material relevant to the meeting agenda to all Directors five (5) days prior to the meeting. Material prepared by AFNWA staff should generally include where applicable:

- an executive summary no more than two pages;
- background information which may be attached as appendices;
- statistical information including graphical representation where possible;
- jurisdictional comparisons;
- current legislation, regulation and/or policy;
- options for course of action where appropriate; and
- staff recommendations including draft policies where appropriate

6.10 Meeting Frequency and Location

The Board's schedule of regular meetings will be determined by its annual macro agenda (see Appendix G). The Board will meet at a frequency required to discharge its duties, which will generally be at least four (4) times per year.

Each Standing Committee will meet a minimum of four (4) times per year. Committee meetings will generally be scheduled sufficiently in advance of Board meetings to allow for a written report of the Committee's work to be provided to the next scheduled meeting of the Board.

Meetings are usually held in person at the main office of the AFNWA, or such other location as determined by the Board from time to time. Meetings can also be held by teleconference or a hybrid approach, at the discretion of the Chair.

6.11 Meeting Notification

Directors shall receive a schedule of Board and Committee meeting dates for the upcoming year for review before the end of the 4th quarter.



The Chair has the discretion to call a meeting if circumstances arise requiring attention of the Board before the next scheduled meeting. The Chair will instruct the Secretary to send written notification to Directors regarding such meetings endeavoring to give as much notice as possible.

If additional meetings are required for the business of a Committee, the Chair of the Committee shall instruct the Secretary to send written notification to Committee members a minimum of five (5) business days prior to the meeting.

6.12 Minutes of Meetings

The Secretary shall record minutes of all duly constituted Board and Board Committee meetings. The minutes are not intended to be a verbatim transcript of all proceedings but a high-level summary to provide the context for Board's decisions.

The minutes shall record:

- date and location of meeting;
- Board member and staff attendance;
- presenters during the meeting;
- all items of decision including approval of agenda, previous minutes and motions;
- a summary of the discussions noting relevant background information and key points;
- any specific reference, comment or discussion point requested for inclusion by a Director; and
- action items for follow up.

The Chair will inform the Secretary to record any decisions made by the Board or follow up items requested during *in camera* sessions. Committee Chairs shall advise the Secretary of any decisions made during committee *in camera* meetings.

Highlights of Board meetings will be drafted by the Secretary and approved by the Chair for posting to the AFNWA website as soon as practical following the meetings.

6.13 Board Orientation

Each new Director shall receive, as soon as practical upon appointment, an orientation to the Board and the AFNWA. In some instances, a Board meeting is scheduled before a member's official appointment date in which case the member may attend as an observer.

The orientation shall cover:

- the *Canada Not-for-Profit Corporations Act*;
- the AFNWA Finance Policy and Procedures Manual approved by the Board;
- the Corporate Governance Manual;
- Annual Business Plan
- Board Compensation Policy
- introduction to the Chair and other Directors;
- introduction of the CEO and Executive Management with an overview of their roles and responsibilities;
- an overview of the CEO evaluation process and provision of a copy of the CEO remuneration agreement;



- an overview of the Board structure and process including relevant financial, statistical and operational information; and
- other material as may be deemed appropriate.

Following completion of the orientation, and annually thereafter, Directors shall sign an acknowledgement that they have received and understood the Corporate Governance Manual.

New Directors may be assigned a 'Peer Mentor' by the Chair. The Peer Mentor serves as a resource and sounding board for new Directors, helps new Directors become more comfortable and confident in carrying out their new responsibilities and helps to introduce them to the issues and work of the Board. Mentoring partners may meet in person and/or virtually prior to and after each meeting during the first year of their term.

6.14 Ongoing Board Education

The Board recognizes the importance of providing on-going development and education for its members on water and wastewater utility issues as well as governance roles and responsibilities. The first component is an orientation of new Directors as noted in Section 6.13 of this manual.

To facilitate ongoing education, the AFNWA is a member of several organizations that provide educational venues in the form of training or conferences:

- *Institute of Corporate Directors* (ICD) www.icd.ca/
- *Atlantic Canada Water and Wastewater Association*
- *Canadian Water and Wastewater Association*

Website addresses are provided for the convenience of Directors who may wish to review the events offered by these organizations. As well, the CEO and Secretary will advise Directors of relevant developmental and educational events as information becomes available.

Annual Director attendance and budget formulation will take the following guidelines into consideration:

1. *Individual assessment of development needs* - Directors complete a self-assessment of the knowledge and skills required to fulfill their role as Directors, as part of a competency assessment process. Individual development needs are reviewed annually with the Chair and Vice Chair to identify appropriate development opportunities for members during the upcoming year.
2. *Participation on Committees* – Members of Board Committees may require specific training on topics relevant to the work of the Committee. The Committee Chair, CEO or the Secretary will advise Committee members of relevant education opportunities as information becomes available.
3. Except in extraordinary circumstances, no member would attend *more than two* conferences, courses or colleges outside Atlantic Canada in a year. This does not include the governance sessions or other training sessions that the Chair deems appropriate for the development of a member.

Subject to the above guidelines, Directors may attend other conferences or other focused relevant education that, in the judgement of the Chair, are appropriate. In consideration of the budget, where courses or conferences are offered at multiple locations, attendance at locations in-province or in-country will be arranged where possible. Directors are encouraged to bring lessons learned from conferences/education sessions back to the Board for discussion.



6.15 Remuneration and Expenses

Directors shall be paid a fee approved by the Board in accordance with the Board Compensation Policy.

Directors will be entitled to the reimbursement of expenses directly related to serving as a Director of the AFNWA. Travel expenses for meals, mileage and miscellaneous expenses shall be reimbursed in accordance with the policy on travel expenses.

The Chair will review and authorize Board claims for expenses incurred by Directors in accordance with this policy. The Chair of the Audit and Finance Committee shall authorize expenses of the Chair, or the Vice Chair if acting in the capacity as Chair.

6.16 Board Evaluation

The Board has established a process to evaluate its performance on an annual basis. The purpose of the annual board evaluation is to help the Board continuously improve its effectiveness and efficiency. The most important part of the process is the goal setting for the next year, based on a realistic assessment of the Board's strengths and opportunities for improvement.

The Board, as well as the CEO, and the Secretary, will use an evaluation questionnaire (see Appendix H attached) for its annual evaluation process. It will be distributed to Directors using an online survey tool that enables easier analysis of the results. Normally, the evaluation questionnaire will be completed by Directors annually, enabling the results to be analyzed and an evaluation report prepared for discussion by the Board.

The Board Chair will collate and analyze the feedback on a confidential basis. An evaluation report that includes a summary of the numerical ratings and highlights of the general comments will be prepared by the Chair for distribution to the Board. The Chair may receive assistance from the Secretary in the compilation of results and summary of the findings.

With the benefit of the evaluation report, the Board will then identify specific governance improvement objectives for itself for the coming year. Each objective will be assigned to a specific Board Committee or officer with an indication of when the Board will consider a recommendation relating to that objective. These assigned priorities will then be incorporated into the annual work plans of the relevant committees and will also be incorporated into the Board's annual macro agenda.

The Board will report on the outcome of the Board evaluation process, particularly any changes to its governance processes, as part of the meeting highlights that are published to the AFNWA's website.

6.17 Competency Assessment

The Board has established an annual competency assessment process to evaluate the individual competencies of Directors. The purpose of the annual competency assessment process is to help the Board continuously improve the knowledge, skills and experience to effectively fulfill their roles and responsibilities as members of the Board.

The Board will use a competency assessment questionnaire (see Appendix I attached) for its annual assessment process. The survey will be distributed to Directors for self-assessment either in print or electronically in the fourth quarter each year. The Board Chair and Vice Chair will analyze the self-assessment results on a confidential basis,



validate the ratings and if necessary, meet with Directors individually to discuss the results. The Secretary will be responsible for coordinating the assessment process.

Based on the results of the competency assessments, the Chair and the Vice Chair will work with Directors to identify specific education and development needs for the upcoming year, consistent with Section 6.14.

7 Dispute Resolution

7.1 Dispute Resolution

Any dispute arising between the Board, First Nation members, and/or AFNWA will be resolved by AFNWA's dispute resolution framework. If AFNWA's dispute resolution framework is unsuccessful, the dispute will be resolved through mediation. The parties will cooperate with one another in selecting a neutral mediator and scheduling the mediation proceedings.

Appendix A – Glossary of Terms

Act – The *Canada Not-for-Profit Corporation Act* (S.C. 2009, c. 23).

AFNWA – Atlantic First Nations Water Authority Inc.

Board Executive – The Chair and Vice Chair of the Board

Board of Directors – Not more than fifteen (15) Directors, which shall include twelve (12) representatives from First Nations communities, inclusive of a Chair and Vice Chair, and three (3) technical experts

CEO – Chief Executive Officer of the AFNWA appointed by the Board of Directors

Chair – Chair of the Board appointed by the Owners

Chiefs – Leader of a First Nations Band

Committee – Consisting of the members of the Board mandated to carry out specified functions, programs, or projects assigned by the Board

Committee Chair – Director appointed by the Chair to chair a Committee of the Board

Elder – An individual who is recognized for having attained a high degree of understanding of First Nation, Métis, or Inuit history, traditional teachings, ceremonies, and healing practices.

Elder Advisory Lodge – an *ex officio* advisory committee through which Elders will provide advice to the Board, comprised of five (5) Elders selected by the Owners.

Executive Management – Consisting of the members of the Senior Management team including Director of Corporate Services, Director of Engagement and Government Relations, Director of Engineering, Director of Operations Engineering and Compliance.

Owners- First Nations Bands that have passed formal Band Council Resolutions to become members of the AFNWA

Secretary – An officer of the ANFWA responsible for keeping the minutes of Board and Committee meetings and general administration of the Board

Standing Committee – Permanent Committees established to support the Board in fulfilling its key stewardship responsibilities. Currently consisting of the Audit and Finance Committee, the Board Executive Committee, and the Environment, Health & Safety Committee

Vice Chair – Vice Chair of the Board appointed by the Board of Directors



Appendix B – Roles Analysis- Board and CEO

Responsibility: Mission, Vision, and Strategic Goals	
<ul style="list-style-type: none"> ▶ Approve, affirm (as part of the regular business planning process) and continually support the Mission, Vision and Strategic Goals of the AFNWA ▶ Ensure that the organization’s values are clearly stated, widely shared and provide a framework for decision-making throughout the AFNWA ▶ E.g. Code of Conduct and Conflict of Interest policies in place to support the values 	
<i>Roles of the Board</i>	<i>Roles of the CEO</i>
Policymaking: <ul style="list-style-type: none"> ▶ Approve the AFNWA’s Mission and Strategic Goals, developed through a collaborative process ▶ Endorse the AFNWA’s values 	Policymaking: <ul style="list-style-type: none"> ▶ Work with the Board to develop and recommend the Mission, Vision and Strategic Goals for approval by the Board
Decision-Making: <ul style="list-style-type: none"> ▶ Ensure decisions are consistent with Mission, Vision and Strategic Goals ▶ Model the values of the AFNWA in conducting Board business 	Decision-Making: <ul style="list-style-type: none"> ▶ Ensure decisions are consistent with Mission, Vision and Strategic Goals ▶ Model the values and related expectations for employees
Monitoring: <ul style="list-style-type: none"> ▶ Receive and consider the following information: <ul style="list-style-type: none"> • Summary of staff surveys (annual) • Annual summary of positive and negative feedback (trends); implications to the organization, if any • Critical evaluation by CEO of progress against strategic plan • Ongoing sharing of community feedback with CEO, as appropriate 	Monitoring: <ul style="list-style-type: none"> ▶ Critical evaluation of progress against strategic plan ▶ Staff surveys and culture assessments ▶ Formal complaint process ▶ Ongoing informal feedback (positive and negative)

Responsibility: Policy Development
<ul style="list-style-type: none"> ▶ Approve a process for the development and periodic review of policies for the AFNWA ▶ Determine and approve policies* of the organization ▶ Approve governance policies in areas relating to the Board’s stewardship responsibilities ▶ Delegate operational policy development and approval to the CEO ▶ Ensure that systems are in place to: (a) identify the need for policies; (b) review and monitor the effectiveness of AFNWA policies; and (c) report on compliance with AFNWA policies



▶ Approve entering into agreements with the Government of Canada	
<i>Roles of the Board</i>	<i>Roles of the CEO</i>
<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Approve a process* for developing policies for the organization 	<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Create the process* for developing policies, for Board approval ▶ Recommend policies for the consideration of the Board ▶ Advise the Board on issues arising from legislation and regulations and recommend changes for the consideration of the Board ▶ Recommend inter-jurisdictional agreements for Board approval
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Approve policies ▶ Approve entering into inter-jurisdictional agreements 	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Implement the approved policies ▶ Implement inter-jurisdictional agreements
<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Receive annual report from CEO re statutory compliance ▶ Exception reporting through CEO Reports at Board meetings of any significant actual or anticipated non-compliance with any legal or regulatory requirement, any Board policy or inter-jurisdictional agreement 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Regular monitoring of legal and regulatory requirements, policies and inter-jurisdictional agreement implementation and compliance

* The involvement (“touch points”) of the Board in the policy process will be defined in the description of that process to be created by the CEO and approved by the Board.

<p>Responsibility: Strategic Plans & Corporate Performance</p> <ul style="list-style-type: none"> ▶ Provide strategic direction in the development, and final approval of the Strategic Plan for the AFNWA ▶ Contribute to and support the AFNWA Strategic Plan ▶ Approve the Annual Business Plan, ensuring alignment between the AFNWA Strategic Plan and the Annual Business Plan ▶ Approve the process for strategic planning and annual business planning (e.g. including touch points with Board, how consultative process will be, etc.) ▶ Monitor the performance of the AFNWA against its plan(s) through a performance measurement system that is linked to the strategic plan ▶ Review results of external reviews of the AFNWA and monitor appropriate follow-up plans



<i>Roles of the Board</i>	<i>Roles of the CEO</i>
<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Approve a process for developing a strategic and annual business plan 	<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Develop the process for strategic and annual business planning for Board approval ▶ Leadership role in development of strategic and annual business plan ▶ Recommend balanced scorecard measures and targets, for Board approval ▶ Develop a performance management and monitoring system
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Approve the Strategic Plan ▶ Approve the Annual Business Plan prepared by the CEO ▶ Approve balanced scorecard measures and targets as part of the annual and long-term business plans 	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Implement the approved plans
<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Annual critical evaluation of progress against Strategic Plan by the CEO ▶ Quarterly progress updates vis-à-vis Annual Business Plan, by CEO ▶ Quarterly performance reports from the CEO relative to balanced scorecard targets ▶ Exception reporting through CEO reports at Board meetings 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Regular evaluation of progress against Strategic Plan ▶ Quarterly reporting to Board on Annual Business Plan progress ▶ Monthly monitoring with executive team ▶ Performance relative to balanced scorecard and operational targets- monthly, quarterly or annual review as appropriate

<p>Responsibility: Relationship with Chief Executive Officer</p> <ul style="list-style-type: none"> ▶ Appoint and fix duties and remuneration of a Chief Executive Officer ▶ Respect and ensure good clarity in the distinct roles of the Board and the CEO ▶ Monitor and annually evaluate the CEO's performance in relation to performance expectations agreed upon by the Board and the CEO ▶ Support and encourage the CEO's participation in professional development opportunities on an ongoing basis 	
<i>Roles of the Board</i>	<i>Roles of the CEO</i>
<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Approve process guidelines for recruitment and selection of CEO 	<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Involvement in the development of the Board-approved processes



<ul style="list-style-type: none"> ▶ Develop and approve annual CEO performance objectives and evaluation process ▶ Develop and approve a compensation policy/philosophy re CEO 	<ul style="list-style-type: none"> ▶ Contribute to the Board’s development of a succession plan for CEO
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Appoint/terminate the CEO ▶ Determine the annual performance rating and performance objectives for the CEO ▶ Decide compensation level for CEO ▶ Develop and approve succession plan for CEO 	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Significant role in defining CEO’s annual performance objectives, for Board approval
<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Annual CEO performance evaluation process ▶ Ongoing informal evaluation through CEO interactions/reports 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Ongoing tracking and demonstrating progress vis-à-vis established goals ▶ Input into performance evaluation through self-evaluation

<p>Responsibility: Financial Oversight</p> <ul style="list-style-type: none"> ▶ Consider and approve the Annual Business Plan and comprehensive budget for the AFNWA; ensure that these are aligned with the AFNWA Strategic Plan ▶ Receive and review financial statements on a quarterly basis ▶ Appoint an external auditor ▶ Approve annual audited financial statements ▶ Review and approve material transactions as required in policies ▶ Approve the organization’s: <ul style="list-style-type: none"> (a) financial policies and (b) procurement policies ▶ Provide high level stewardship over the resources of the AFNWA in order to ensure the long-term sustainability of the AFNWA 	
<i>Roles of the Board</i>	<i>Roles of the CEO</i>
<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Approve financial and procurement policies (including budgeting policy, borrowing approvals, procurement policies, compliance reporting, etc.) 	<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Develop financial and procurement policies for the Board’s approval
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Approve operating and capital budgets and amendments thereto 	<p>Decision-Making:</p>



<ul style="list-style-type: none"> ▶ Approve borrowing/line of credit ▶ Approve the annual audited financial statements ▶ Approve the appointment of the external auditor 	<ul style="list-style-type: none"> ▶ Manage the approved budgets to ensure that administrative activity takes place within the approved level of expenditures ▶ Ability to draw on line of credit to cover cash shortfalls in accordance with policy
<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Review the quarterly financial statements accompanied by a compliance certificate from the CFO ▶ Annual audited financial statements ▶ Quarterly financial report (budget year to date with variance analysis) to Audit and Finance Committee 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Quarterly review of the AFNWA’s finances, and compliance with procurement policy ▶ Ongoing monitoring of the AFNWA’s finances ▶ External audit process

<p>Responsibility: Risk Management Oversight</p> <ul style="list-style-type: none"> ▶ Understand the principal risks facing the organization and receive and consider an annual review of enterprise risk assessment ▶ Ensure, through the CEO, that there are systems in place to mitigate/manage those risks and monitor the effectiveness of those systems 	
<p><i>Roles of the Board</i></p>	<p><i>Roles of the CEO</i></p>
<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Approve a risk management framework (i.e. categories of potential risk) ▶ Be aware of organization’s risk management process ▶ Understand the internal controls that are in place within the organization 	<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Develop the risk management framework for Board approval ▶ Develop a risk management system ▶ Identify, assess and adopt appropriate processes to minimize risks facing the organization. ▶ Ensure that appropriate internal controls and management information systems in place
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Determine the overall risk tolerance of the organization (through approval of Annual Business Plan) 	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ All decisions relating to implementation of risk management processes/systems ▶ Implementation of appropriate internal controls ▶ Discretion to resolve any incidents or complaints



<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Annual enterprise risk assessment ▶ Timely reports from CEO of any issues, events or pending matters that may affect the Board’s relationship with its clients and business partners, or which place at risk the AFNWA’s resources, reputation or achievement of its goals and objectives ▶ Review of annual management letter from external auditors re sufficiency of internal controls 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Ongoing monitoring of safety and risks ▶ Report to the Board as required ▶ Ensure remittance of statutory deductions and annual tax filings ▶ Monitoring of adherence to internal controls
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<p>Responsibility: Human Resources Oversight</p> <ul style="list-style-type: none"> ▶ Ensure, through the CEO, that the AFNWA develops and maintains a long-term, comprehensive, human resource plan ▶ Ensure that policies and systems are in place to foster a work environment that attracts, develops and retains talented First Nations employees and other employees ▶ Ensure that a succession plan is in place for the CEO’s position and that the CEO, in turn, has a succession plan in place for senior leadership and other key positions within the AFNWA 	
<p><i>Roles of the Board</i></p>	<p><i>Roles of the CEO</i></p>
<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Approve high-level principles for HR 	<p>Policymaking:</p> <ul style="list-style-type: none"> ▶ Develop and recommend principles and guidelines for human resource policies ▶ Develop a long-term, comprehensive HR plan and HR policies consistent with principles and guidelines recommended by the Board
<p>Decision-Making:</p>	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Establish organizational and management structure to implement the corporate plan approved by the Board ▶ Provide leadership to the organization in terms of teamwork, ethical conduct, honesty, integrity, and commitment to performance excellence ▶ Ensure the appointment of competent and motivated staff ▶ Appoint Senior Managers ▶ Monitor and evaluate members of executive management and inform the Board of any



	<p>disciplinary action or severance of the employment relationship of executive management</p> <ul style="list-style-type: none"> ▶ Develop the succession plan for senior leadership and other key positions
<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Receipt of quarterly reports on staff programs for health, safety and wellness ▶ Awareness, through the CEO, of changes to senior management structure ▶ Sharing of organizational succession plan by CEO ▶ Annual highlights of long-term HR strategy through the CEO 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Prepare quarterly reports on health, safety and wellness ▶ Direct observation of leadership potential ▶ Systematic performance management/leadership talent review system

<p>Responsibility: Communications, Stakeholder Relations, Advocacy and Accountability</p> <ul style="list-style-type: none"> ▶ Ensure that the AFNWA has policies and systems in place to: <ul style="list-style-type: none"> ○ protect and continuously enhance the AFNWA brand and reputation ○ maintain strong and effective relations with all stakeholders, including clients, service providers, employees and First Nations communities ○ promote the principles of open and transparent dialogue and discussion with our stakeholders ○ advocate on behalf of the AFNWA and its strategic priorities ○ appropriately receive and address stakeholder concerns/complaints ○ demonstrate accountability to its Owners ○ monitor the effectiveness of the AFNWA stakeholder relations and advocacy ▶ At least annually, report to our stakeholders on the organization’s progress towards all plans (strategic, financial, advocacy, etc.) ▶ Ensure that the organization has a communications plan in place that aligns with its annual business plan and that fosters open, honest and accountable communications with stakeholders 	
Roles of the Board	Roles of the CEO
<p>Policy-Making:</p>	<p>Policy-Making:</p> <ul style="list-style-type: none"> ▶ Develop a corporate communications strategy ▶ Develop a stakeholder relations strategy
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Approve Annual Report 	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ In accordance with communications strategy, represent the organization to outside parties and organizations to promote a credible corporate image ▶ Develop Annual Report for Board Approval
<p>Monitoring:</p>	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Ongoing informal feedback



<ul style="list-style-type: none"> ▶ Participate in annual general meeting and other meetings with Owners and stakeholders ▶ Review annual communications and stakeholder relations plan(s) (for information only) ▶ Receive information on the evaluation of our stakeholder relations/communications ▶ Ongoing feedback to the CEO or the Chair 	<ul style="list-style-type: none"> ▶ Media scan ▶ Design and implement systems to evaluate effectiveness of stakeholder relations and communications
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<p>Responsibility: Board Governance</p> <ul style="list-style-type: none"> ▶ Contribute to the appointment process for new Directors, the Board Chair and Vice Chair ▶ Ensure that Directors have a thorough initial orientation followed by ongoing opportunities to increase their capabilities as Directors of the AFNWA ▶ Annually establish goals for the work of the Board and organize/adapt the Board committees and meeting agendas to accomplish these goals ▶ Approve the structure and terms of reference of Board Committees ▶ Annually evaluate the performance of the Board, its Chair and its Committees ▶ Foster an effective relationship with the CEO and recognize the distinct roles ▶ Review Governance Policies and Board practices in the context of evolving standards of governance ▶ Ensure that a process is in place to identify and resolve conflicts of interests on the part of Directors
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<i>Roles of the Board</i>	<i>Roles of the CEO</i>
<p>Policy-Making:</p> <ul style="list-style-type: none"> ▶ Approve annual evaluation process ▶ Approve governance policies ▶ Approve structure and terms of reference of Board Committees ▶ Approve macro (12-24 month) agenda 	<p>Policy-Making:</p> <ul style="list-style-type: none"> ▶ Assist the Board in its policy development efforts ▶ Facilitate access to professional development opportunities ▶ Distribute information on governance trends and best practices ▶ Input into Board evaluation
<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Corrective/disciplinary action vis-à-vis Directors ▶ Appoint Committee Chairs and members (delegated to Chair) 	<p>Decision-Making:</p> <ul style="list-style-type: none"> ▶ Adhere to practices of good corporate governance as identified in corporate governance policies
<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Annual Board evaluation ▶ Meeting evaluations ▶ Ongoing monitoring of the relationship between the Board and the organization by the Board Chair 	<p>Monitoring:</p> <ul style="list-style-type: none"> ▶ Maintain open, honest and effective communications with the Chair and the Board ▶ Discuss concerns, if any, regarding governance/management roles with Board Chair



Appendix C – AFNWA Committee Evaluation

Introduction

The purpose of the committee evaluation is to foster continuous improvement in the effectiveness and efficiency of the Board’s Standing Committees. It provides an opportunity to celebrate existing strengths and identify areas of potential improvement. Feedback will be summarized on a non-attribution basis.

	Level of Performance							Unsure
	Excellent	Good	Fair	Poor	7	6	5	
1. The Committee is effective in carrying out its roles and responsibilities as outlined in its terms of reference.	7	6	5	4	3	2	1	Unsure
<i>Please identify the most important role and responsibility of the committee.</i>								
2. The Committee receives adequate material in advance of committee meetings, in sufficient time and detail to permit members to effectively consider issues to be dealt with and make effective decisions.	7	6	5	4	3	2	1	Unsure
<i>Any comments on the timeliness or content of material provided to the Committee?</i>								
3. The Committee is spending their time focused on the right issues.	7	6	5	4	3	2	1	Unsure
<i>What are the most important issues or topics the Committee should spend its time on?</i>								
4. As a Committee, we have a good understanding of the risks subject to our oversight.	7	6	5	4	3	2	1	Unsure
<i>Any comment on these risks?</i>								



5. The Committee has established and follows a Committee work plan, and is flexible in making adjustments as new issues emerge.	7	6	5	4	3	2	1	Unsure
<i>Please comment on any recommended enhancements to the Committee's annual work plan:</i>								
6. The Committee has the expertise and training required to be effective in fulfilling their role.	7	6	5	4	3	2	1	Unsure
<i>Please comment on possible improvements to training and development opportunities for Committee members:</i>								
7. The Committee has the information it needs to make informed decisions.	7	6	5	4	3	2	1	Unsure
<i>Please comment on the quality and/or timeliness of the information the Committee receives to make its decisions:</i>								
8. There is sufficient management support and external advice/resources available to the Committee to conduct effective meetings and to make good, timely decisions.	7	6	5	4	3	2	1	Unsure
<i>Any Comments regarding management or external advice provided?</i>								
9. The length, frequency and location of Committee meetings is sufficient.	7	6	5	4	3	2	1	Unsure
<i>Any comments on the length, frequency and location of Committee meetings?</i>								
10. What suggestions do you have about how to improve the Committee's effectiveness?								
11. The Committee Chair keeps the meeting focused, keeps us on track and on time, encourages participation and maintains effective meeting discipline.	7	6	5	4	3	2	1	Unsure



Any comments on how effectively the Committee Chair manages meetings?

12. The Committee Chair demonstrates leadership and effectively manages the affairs of the Committee.

7 6 5 4 3 2 1 Unsure

Any comments on the Committee Chair’s leadership in managing the affairs of the Committee?

13. The Committee Chair’s greatest strengths are:

14. What suggestions, if any, do you have about how the Committee Chair might improve his or her performance?



Appendix D – Audit and Finance Committee Terms of Reference

Specific Responsibilities

The Board delegates the following roles and responsibilities to the Audit and Finance Committee:

(a) Financial Statements

Delegated Committee Role	Responsibilities
<i>Review and recommend to the Board</i>	<ol style="list-style-type: none"> 1. Receipt and review of quarterly financial statements from the CFO and approval of annual audited financial statements 2. Approval of the financial content of the Annual Report 3. The appropriateness of accounting policies and financial reporting practices used by the AFNWA 4. Any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the AFNWA 5. Appropriate resolution of all major financial issues 6. Approval of annual business plans developed by management, including balanced scorecard measures and targets 7. Approval of operating and capital budgets and amendments thereto
<i>Decide/approve and report to the Board</i>	<ol style="list-style-type: none"> 8. Changes in financial and accounting disclosures to be adopted by the AFNWA; report same to the Board



*Monitor and report
highlights to the Board*

9. Quarterly and annual financial performance of the AFNWA (budget year to date with variance analysis) including:
 - Quarterly reporting on operations with the level of actual to budget variance by functional area including an explanation of variances greater than 5% of the budget for the functional area, within 45 days of period end.
 - Quarterly reporting on the level of actual to budget details of approved capital projects
 - Annual carry forward of project budgets if required including details on unused amounts, reasons for carry forwards and how amounts will be spent
10. Public reports on published financial statements (to the extent such releases discuss the financial position or operating results) for consistency of disclosure with the financial statements themselves
11. Key estimates and judgments of Management that may be material to the financial reporting of the AFNWA
12. New or pending developments in accounting and reporting standards that may affect the AFNWA



(b) Internal Controls and Risk Oversight Management

Delegated Committee Role	Responsibilities
<i>Review and recommend to the Board</i>	13. Review and recommend to the Board the approval of an enterprise risk management framework
<i>Monitor and report highlights to the Board</i>	14. Monitor and report to the Board on the effectiveness of the AFNWA enterprise risk management system through an annual risk assessment review 15. Monitor and report to the Board on the adequacy and effectiveness of the AFNWA internal control system and information systems through quarterly reports from the CFO 16. Reports from the CEO on any issues, events or pending matters that may affect the AFNWA’s relationship with its clients and business partners, or which place at risk the organization’s resources, reputation or achievement of its goals and objectives; report on these to the Board as the Committee considers appropriate 17. Annual overview and discussion of the inventory of AFNWA plans in place to address emergency response/business continuity issues 18. Annual review of register for signing authorities with the Bank, along with information on who has access to online accounts and what type of access they have as well as notification of any changes made.



(c) External Audit

Delegated Committee Role	Responsibilities
<i>Review and recommend to the Board</i>	19. The appointment of an external auditor and the establishment and monitoring of policies and procedures regarding the appointment and dismissal of auditor, to include a process for determining that a proposed auditor meets requirements of the by-laws and any other relevant legislation.
<i>Decide/approve and report to the Board</i>	20. The terms of the annual external audit engagement plan, including but not limited to the following: <ul style="list-style-type: none"> (iii) engagement letter (iv) objectives and scope of the external audit work (v) materiality limit set by external auditors (vi) areas of audit risk (vii) staffing, and in particular, the lead audit partner and the audit partner responsible for reviewing the audit, including partner rotation (viii) timetable, and proposed fees 21. In advance, where the estimated fee for such services is greater than \$10,000, the non-audit services to be provided by the external auditor’s firm or its affiliates (including the estimated fees) in accordance with a policy established by Management and approved by the Audit and Finance Committee, consider the impact on the independence of the external audit work and receive an annual report thereon from Management 22. Assess the performance and independence of the external auditor



*Monitor and report
highlights to the Board*

23. The work of the external auditor
24. The plan, conduct and reporting of the annual external audit, including but not limited to the following:
 - any difficulties encountered, or restriction imposed by Management, during the annual audit;
 - any significant accounting policies or financial reporting issues, alternative Accounting Standards for Not-For-Profit Organizations (ASNPO) methods discussed with Management, ramifications and external auditors' preferred alternative, and any other material written communications with Management;
 - the external auditor's evaluation of the AFNWA system of internal controls, procedures and documentation;
 - the post audit or management letter containing any findings or recommendations of the external auditor including Management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - any significant disagreements between management and the external auditor with regard to financial reporting;
 - any other matters that the external auditor brings to the attention of the Audit and Finance Committee; and
 - any issues relating to review or appointment of external auditors
25. Direct and open communication among the Audit and Finance Committee and the external auditor.



(d) Compliance and Other Oversight

Delegated Committee Role	Responsibilities
<i>Monitor and report to the Board</i>	<ul style="list-style-type: none"> 26. Annually review the AFNWA insurance coverage of significant business risks and uncertainties 27. Annual report from the CEO of any litigation matters that could significantly affect the financial statements 28. Exception reports from the CEO regarding any significant actual or anticipated non-compliance with any legal or regulatory requirements, or inter-jurisdictional agreement 29. Quarterly Management Representations on regular, statutory reporting requirements 30. Responses by Management to material information requests from government or regulatory authorities 31. Receive annual report of expenses of Board and senior management 32. Receive annual audit report of expenses of Board and senior management. 33. Annually review the AFNWA Investment Policy and strategy, investment performance and assess whether any changes are required to existing policies and procedures to preserve capital and liquidity and/or to comply with any relevant legislation and/or funding agreements.

(e) Other Duties

The Audit and Finance Committee will investigate (or cause an investigation to be undertaken) and recommend a resolution to the Board of any issues or concerns referred to it by the Board Executive (as the point of entry for any complaints or concerns) arising from complaints under the AFNWA Code of Conduct that may relate to a breakdown of financial disclosure controls or internal controls over financial reporting. Depending upon the nature of the complaint, the Committee may delegate the investigation and resolution of the complaint to Senior Management.

The Committee will also carry out such other duties as may be determined from time to time by resolution of the Board.

Committee Functioning

The Audit and Finance Committee will have access to Management and AFNWA documents as required/appropriate. It will also be provided with the resources necessary to carry out its



responsibilities. The Audit and Finance Committee may engage independent counsel and other advisors and set and pay the compensation for any advisors so engaged.

In co-ordination with the Board Executive Committee, the Committee shall annually review and assess the adequacy of its mandate in relation to evolving best practices and evaluate its effectiveness in fulfilling its mandate.

The Audit and Finance Committee may establish a subcommittee to review any matters deemed appropriate by the Committee Chair. The subcommittee will provide its recommendation to the Audit and Finance Committee.

The secretary to the Committee shall be the Secretary and is responsible for:

- Ensuring that minutes are prepared recording decisions, recommendations and general discussion of the Committee
- Ensuring that decisions and recommendations of the Committee are forwarded to the Board for its next meeting
- Compiling and distributing the agenda of Committee meetings at least five (5) days prior to the Committee meetings, and
- Ensuring that action points identified are carried out.

Membership

The Board Chair appoints Directors to committees. The Audit and Finance Committee will consist of three (3) Directors, one of whom shall be appointed as Chair of the Committee by the Board Chair. The Board Chair will not be a member of the Audit and Finance Committee.

All members of the Audit and Finance Committee shall meet the standard of financial literacy, which entails the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the AFNWA financial statements. Committee members shall exercise the care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person and shall use all relevant knowledge and skill that the member possesses.

All committee members shall be independent of management of the AFNWA. At least one committee member shall have accounting or financial management expertise.

Ex officio, non-voting members of the Audit and Finance Committee include Chief Executive Officer, Chief Financial Officer and Secretary.

Any Director who is a member of the Audit and Finance Committee serves at the pleasure of the Board Chair.



From time to time, additional non-voting resources may be added to the Committee by the Board Chair where considered necessary to enable the Committee to fulfill its mandate.

Meetings

The Audit and Finance Committee shall meet at least four (4) times per year, with additional meetings at the call of the Committee Chair, or as directed by the Board. The AFNWA external auditor, or any two members of the Audit and Finance Committee, may call a special meeting of the Audit and Finance Committee by contacting the Committee Chair.

The agenda will normally be set by the Committee Chair based upon the Committee's work plan and annual objectives. Committee members or the Board Chair may also suggest agenda items to the Committee Chair. The agenda and background material for meetings will be delivered to members at least five (5) days prior to the Committee meeting.

The Audit and Finance Committee will have separate private meetings with the external auditors, Management or any other persons to discuss any matters that the Committee or these groups believe should be discussed.

The external auditor shall attend meetings of the Audit and Finance Committee if either has requested the opportunity to do so or has been requested to do so by an Audit and Finance Committee member. The external auditors may be invited to make presentations to the Audit and Finance Committee, as appropriate.

All documentation from Audit and Finance Committee meetings shall be held in a secure but accessible format and location for seven (7) years.

Quorum & Decision Making

A quorum for the transaction of business at a meeting of the Committee will be a majority of Directors appointed to the Committee.

The Committee will attempt to reach consensus on recommendations to the Board on decisions delegated to the Committee. In exceptional circumstances, where consensus does not appear to be possible, the Committee may refer the matter directly to the Board without a recommendation.

Accountability and Reporting to the Board

The Chair of the Committee will prepare written reports for the Board on the work of the Committee and will be guided in the preparation of these reports by a reporting template for Committees.

Committee Objectives, Annual Work Plan and Timetable

In consultation with the Board Chair, the Committee will formulate annual objectives for the Audit and Finance Committee for each year and review progress against them at least annually.



The Committee will annually establish a work plan for its scheduled committee meetings, which plan will include any specific priorities assigned to the Committee by the Board. The attached table sets out the basic work plan to be used as a starting point each year.

Audit and Finance Committee Agenda Item	Q1	Q2	Q3	Q4
Financial Statements				
<ul style="list-style-type: none"> Reviews external audited annual financial statements and recommends to the Board. 	X			
<ul style="list-style-type: none"> Recommends unaudited quarterly financial statements, including public reports on financial statements for consistency of disclosure with financial statements. 	X	X	X	X
<ul style="list-style-type: none"> Reviews quarterly and annual financial performance of the AFNWA and reports highlights to the Board. 	X	X	X	X
<ul style="list-style-type: none"> Approves financial content of the Annual Report. 	X			
<ul style="list-style-type: none"> Receive mid-year and annual report from the external actuary to understand the valuation of the organization's liabilities. 	X			
Corporate Plan and Budget				
<ul style="list-style-type: none"> Reviews and recommends Annual Business Plan, including balanced scorecard measures and targets. 			X	
<ul style="list-style-type: none"> Reviews and recommends operating and capital budgets. 			X	
Internal Controls and Risk Oversight				
<ul style="list-style-type: none"> Monitors and reports to the Board on the effectiveness of the enterprise risk management system. 				X
<ul style="list-style-type: none"> Reviews and discusses inventory of plans in place to address emergency response/business continuity issues and reports highlights to the Board. 		X		
External Auditors				
<ul style="list-style-type: none"> Approves terms of yearly engagement letter. 				X
<ul style="list-style-type: none"> Monitors and reports to the Board on the plan, conduct and reporting of the annual external audit. 	X			



<ul style="list-style-type: none"> Annual <i>in camera</i> meeting with External Auditor. 	X			
Compliance and Other Oversight <ul style="list-style-type: none"> Recommends quarterly reports on goods and services procurement and statutory employer remittances. 	X	X	X	X
<ul style="list-style-type: none"> Receives annual report from the CEO of any litigation matters that could significantly affect the financial statements. 	X			
<ul style="list-style-type: none"> Receives annual report of expenses of Executive Committee and Board 	X			
<ul style="list-style-type: none"> Receives annual audit report of expenses of Board, senior management and employees 				X
<ul style="list-style-type: none"> Receives results of annual Committee evaluation process 			X	



Appendix E – Board Executive Committee Terms of Reference

Specific Responsibilities

The Board delegates the following roles and responsibilities to the Board Executive Committee, comprised of the Board Chair and Vice-Chair:

Delegated Committee Role	Responsibilities
<i>Review and recommend to the Board</i>	<ol style="list-style-type: none"> 1. Approval of/revisions to governance policies, including the Board’s Code of Conduct and Conflict of Interest policies. 2. Approval of a process for developing policies for the organization 3. Approval of new/amended policies 4. Approval of process guidelines for the recruitment/selection of a CEO 5. Approval of annual CEO performance objectives and evaluation process 6. Approval of annual performance rating and performance objectives for the CEO 7. Approval of compensation policy/philosophy re CEO 8. Approval of annual compensation level for the CEO 9. Approval of high-level human resources principles for the organization 10. Approval of an annual board evaluation process 11. Approval of a structure and terms of reference for Board Committees 12. Approval of a macro (12-24 months) Board agenda
<i>Decide/approve and report to the Board</i>	<ol style="list-style-type: none"> 13. Review and approve succession plan for the CEO’s position



Monitor and report highlights to the Board

14. Changes to senior management structure
15. Organizational succession plan
16. Annual highlights of long-term HR strategy through the CEO
17. Annual stakeholder relations and communications plan
18. The effectiveness of the AFNWA stakeholder relations and communications
19. Oversight of the annual board evaluation process
20. Monitors results of balanced scorecard measures

Other Duties

The Committee will also carry out such other duties as may be determined from time to time by resolution of the Board.

Committee Functioning

The Board Executive Committee will have access to Management and AFNWA documents as required/appropriate. It will also be provided with the resources necessary to carry out its responsibilities. The Committee may engage independent counsel and other advisors and set and pay the compensation for any advisors so engaged.

The Committee shall annually review and assess the adequacy of its mandate in relation to evolving best practices and evaluate its effectiveness in fulfilling its mandate.

The secretary to the Committee shall be the Secretary and is responsible for:

- Ensuring that minutes are prepared recording decisions, recommendations and general discussion of the Committee
- Ensuring that decisions and recommendations of the Committee are forwarded to the Board for its next meeting
- Compiling and distributing the agenda of Committee meetings at least five (5) days prior to the Committee meetings, and
- Ensuring that action points identified are carried out.

Membership

The Board Chair appoints Directors to Committees. The Board Executive Committee will consist of the Chair and Vice-Chair and will be chaired by the Board Chair. All committee members shall be independent of management of the AFNWA.

Ex officio, non-voting members of the Committee include: Chief Executive Officer, Chief Financial Officer and Secretary.



Any Director who is a member of the Committee serves at the pleasure of the Board Chair.

From time to time, additional non-voting resources may be added to the Committee by the Board Chair where considered necessary to enable the Committee to fulfill its mandate.

Meetings

The Board Executive Committee shall meet at least four (4) times per year, with additional meetings at the call of the Committee Chair, or as directed by the Board.

The agenda will normally be set by the Committee Chair based upon the Committee’s work plan and annual objectives. Committee members or the Board Chair may also suggest agenda items to the Committee Chair. The agenda and background material for meetings will be delivered to members at least five (5) days prior to the Committee meeting.

Quorum & Decision Making

A quorum for the transaction of business at a meeting of the Committee will be a majority of Directors appointed to the Committee.

The Committee will attempt to reach consensus on recommendations to the Board on decisions delegated to the Committee. In exceptional circumstances, where consensus does not appear to be possible, the Committee may refer the matter directly to the Board without a recommendation.

Accountability and Reporting to the Board

The Chair of the Committee will prepare written reports for the Board on the work of the Committee and will be guided in the preparation of these reports by a reporting template for Committees.

Committee Objectives, Annual Work Plan and Timetable

The Board Executive Committee will formulate annual objectives for the Committee for each year, in keeping with the Board’s governance improvement objectives, and review progress against them at least annually.

The Committee will annually establish a work plan for its scheduled committee meetings, which plan will include any specific priorities assigned to the Committee by the Board. The attached table sets out the basic work plan to be used as a starting point each year.

Board Executive Committee Agenda Item	Q1	Q2	Q3	Q4
CEO				
<ul style="list-style-type: none"> Reviews and approves succession plan for CEO. 	X			
<ul style="list-style-type: none"> Compiles results of annual CEO performance evaluation, reviews findings and recommends annual CEO performance rating to the Board. 	X			



<ul style="list-style-type: none"> • Recommends annual compensation level for CEO. 	X			
<ul style="list-style-type: none"> • Recommends CEO performance objectives for the coming year. 	X			
Human Resources				
<ul style="list-style-type: none"> • Receives and reports on highlights of long-term HR strategy, including leadership succession plan. 				X
Corporate Governance				
<ul style="list-style-type: none"> • Recommends changes to the Corporate Governance Manual from annual review. 				X
<ul style="list-style-type: none"> • Reviews and recommends specific governance policies as required. 	X	X	X	X
Board				
<ul style="list-style-type: none"> • Compiles annual Board evaluation responses and reports to the Board. 	X			
<ul style="list-style-type: none"> • Reviews and recommends macro-Board agenda for coming year. 		X		
Policies				
<ul style="list-style-type: none"> • Review and recommend process for developing policies, if required. 	X			
<ul style="list-style-type: none"> • Review and recommend new/amended policies, as required. 	X	X	X	X
OTHER				
<ul style="list-style-type: none"> • Receive and report on annual stakeholder relations and communications plan. 	X			
<ul style="list-style-type: none"> • Monitors results of balanced scorecard measures. 	X	X	X	X
<ul style="list-style-type: none"> • Receives results of annual Committee evaluation process. 			X	
<ul style="list-style-type: none"> • Regular <i>in camera</i> session with the Committee alone. 	X	X	X	X



Appendix F – Environment, Health & Safety Committee Terms of Reference

Specific Responsibilities

The Board delegates the following roles and responsibilities to the Environment, Health & Safety Committee:

Delegated Committee Role	Responsibilities
<i>Review and recommend to the Board</i>	<ol style="list-style-type: none"> 1. Approval of/subsequent revisions of the Committee mandate. The Committee is expected to review its mandate annually 2. Approval of fundamental policies pertaining to corporate responsibility, environment, health and safety, and security having the potential to impact corporate activities and strategies. Corporate responsibility includes the general commitment areas of governance, people, environment, engagement, community involvement, health and safety, and security
<i>Decide/approve and report to the Board</i>	<ol style="list-style-type: none"> 3. Administrative policies pertaining to environment, occupational health, safety, security, business conduct and ethics 4. The AFNWA’s Environment, Health and Safety Management System
<i>Monitor and report highlights to the Board</i>	<ol style="list-style-type: none"> 5. Quarterly reports on staff programs for health, safety and wellness 6. Annual corporate responsibility performance 7. Environment, occupational health, safety, security, business conduct or ethics issues, trends and events that could impact the AFNWA, and its stakeholders or programs 8. Actions and initiatives undertaken to mitigate corporate responsibility risk and/or matters having the potential to affect the AFNWA’s activities, plans, strategies or reputation 9. Significant related contraventions of regulations or policies
<i>Review/Approve</i>	<ol style="list-style-type: none"> 10. Corporate Environment, Health and Safety performance quarterly, and disclosure with respect to such performance contained in disclosure documents or presentations as required 11. Mitigating actions taken by management relative to reported incidents 12. Significant items resulting from periodic corporate environment, health, safety, and security audits or assessments.



Inquiring of management, the CEO and other invited participants, about significant risks or exposures and assess steps management has taken to minimize such risks to the AFNWA

13. Remedial or mitigating action taken to manage an identified Environment, Health and Safety, and Security risk
14. The annual corporate Environment, Health and Safety audit schedule.
15. The need and schedule for external audits.

Other Duties

The Committee will also carry out such other duties as may be determined from time to time by resolution of the Board.

The Committee may also conduct field trips to review corporate responsibility activities, including environment, health and safety, annually or as warranted.

Committee Functioning

The Environment, Health & Safety Committee will have access to Management and AFNWA documents as required/appropriate. It will also be provided with the resources necessary to carry out its responsibilities. The Committee may engage independent counsel and other advisors and set and pay the compensation for any advisors so engaged.

The Committee shall annually review and assess the adequacy of its mandate in relation to evolving best practices and evaluate its effectiveness in fulfilling its mandate.

The secretary to the Committee shall be the Secretary and is responsible for:

- Ensuring that minutes are prepared recording decisions, recommendations and general discussion of the Committee
- Ensuring that decisions and recommendations of the Committee are forwarded to the Board for its next meeting
- Compiling and distributing the agenda of Committee meetings at least five (5) days prior to the Committee meetings, and
- Ensuring that action points identified are carried out.

Membership

The Board Chair appoints Directors to Committees. The Environment, Health & Safety Committee will consist of three (3) Directors, one of whom shall be appointed as Chair of the Committee by the Board Chair.



Ex officio, non-voting members of the Committee include Chief Executive Officer, Chief Financial Officer, and Secretary.

Any Director who is a member of the Committee serves at the pleasure of the Board Chair.

From time to time, additional non-voting resources may be added to the Committee by the Board Chair where considered necessary to enable the Committee to fulfill its mandate.

Meetings

The Environment, Health & Safety Committee shall meet at least four (4) times per year, with additional meetings at the call of the Committee Chair, or as directed by the Board.

The agenda will normally be set by the Committee Chair based upon the Committee's work plan and annual objectives. Committee members or the Board Chair may also suggest agenda items to the Committee Chair. The agenda and background material for meetings will be delivered to members at least five (5) days prior to the Committee meeting.

Quorum & Decision Making

A quorum for the transaction of business at a meeting of the Committee will be a majority of Directors appointed to the Committee.

The Committee will attempt to reach consensus on recommendations to the Board on decisions delegated to the Committee. In exceptional circumstances, where consensus does not appear to be possible, the Committee may refer the matter directly to the Board without a recommendation.

Accountability and Reporting to the Board

The Chair of the Committee will prepare written reports for the Board on the work of the Committee and will be guided in the preparation of these reports by a reporting template for Committees.

Committee Objectives, Annual Work Plan and Timetable

The Environment, Health & Safety Committee will formulate annual objectives for the Committee for each year, in keeping with the Board's governance improvement objectives, and review progress against them at least annually.

The Committee will annually establish a work plan for its scheduled committee meetings, which plan will include any specific priorities assigned to the Committee by the Board. The attached table sets out the basic work plan to be used as a starting point each year.



Environment, Health & Safety Committee Agenda Item	Q1	Q2	Q3	Q4
Policies <ul style="list-style-type: none"> Review and recommend new/amended policies pertaining to corporate responsibility, environment, health and safety, and security, as required 	X	X	X	X
Compliance and Oversight <ul style="list-style-type: none"> Approves the annual corporate Environment, Health and Safety audit schedule. 	X			
<ul style="list-style-type: none"> Receives report from CEO on significant related contraventions of regulations or policies 				
<ul style="list-style-type: none"> Reviews actions and initiatives undertaken to mitigate corporate responsibility risk and/or matters having the potential to affect the AFNWA's activities, plans, strategies or reputation 				
<ul style="list-style-type: none"> Reviews Corporate Environment, Health and Safety performance quarterly 	X	X	X	X
<ul style="list-style-type: none"> Recommends quarterly reports on OH&S compliance. 	X	X	X	X
Human Resources <ul style="list-style-type: none"> Receives quarterly reports on staff programs for health, safety and wellness. 	X	X	X	X
Corporate Responsibility <ul style="list-style-type: none"> Receives and reports to Board annual corporate responsibility performance 				X
<ul style="list-style-type: none"> Reviews the AFNWA's Environment, Health and Safety Management System 	X			
<ul style="list-style-type: none"> Approves remedial or mitigating action taken to manage an identified Environment, Health and Safety, and Security risk 				
<ul style="list-style-type: none"> Receives results of annual Committee evaluation process. 			X	



Appendix G – Annual Board Macro Agenda

September 2020 – August 2021

Meeting	Policy-Making	Decision-Making	Monitoring
September			
November			
December			
January			
March			
May			
June			



Appendix H – AFNWA Board Evaluation

AFNWA - Board Effectiveness Evaluation

Introduction

The purpose of the Board evaluation process is to foster continuous improvement in the effectiveness and efficiency of the Board’s structure and functioning. It provides an opportunity to celebrate existing strengths and to identify areas of potential improvement for the coming year. Feedback will be summarized on a non-attribution basis.

PART 1 - THE BOARD OF DIRECTORS

	Level of Performance							
	Excellent	Good	Fair	Poor	Unsure	Unsure	Unsure	
1. The Board ensures that Directors have a thorough initial orientation as part of their onboarding to the Board. <i>Please comment on opportunities for improvement to the Board’s onboarding process:</i>	7	6	5	4	3	2	1	Unsure
2. The Board ensures that directors have ongoing opportunities to enhance their capabilities as directors of the AFNWA. <i>Please comment on possible improvements to the Board’s development and training opportunities:</i>	7	6	5	4	3	2	1	Unsure
3. The Board has effective succession processes in place for the CEO and is aware of the succession processes for senior leadership and other key positions within the AFNWA. <i>If you have suggestions for improvements to the Board’s succession management processes, please specify below:</i>	7	6	5	4	3	2	1	Unsure
4. The Board has effective strategic planning processes, and effectively monitors its progress in achieving its Strategic Plan. <i>If you have suggestions for improvements to the Board’s strategic planning process, please specify below:</i>	7	6	5	4	3	2	1	Unsure



<p>5. The Board approves the Annual Business Plan and budget of the AFNWA, and actively monitors performance against the plan and the balanced scorecard targets on a regular basis. <i>If you have suggestions for improvements to the Board’s annual planning and budgeting processes, please specify below:</i></p>	7	6	5	4	3	2	1	Unsure
<p>6. The Board focusses on the most important issues facing the AFNWA and discussions are focused on providing strategic direction, rather than being operationally focused on management issues. <i>Please comment on the Board’s focus on strategic vs. operational issues:</i></p>	7	6	5	4	3	2	1	Unsure
<p>7. The Board has the information its needs to make informed decisions. <i>Please comment on the quality of the information the Board receives to make its decisions:</i></p>	7	6	5	4	3	2	1	Unsure
<p>8. The Board functions as a team and speaks with one voice. <i>Please provide example(s) of when the Board functioned as a team, or did not function as a team.</i></p>	7	6	5	4	3	2	1	Unsure
<p>9. Directors engage in healthy debate with a view to constructively exploring solutions that are in the best interests of the organization. <i>Why or why not?</i></p>	7	6	5	4	3	2	1	Unsure
<p>10. Reports and presentations from Committees and management are clear, concise and assist the Board in making effective decisions. <i>Any suggested improvements for management or Committee reports to the Board?</i></p>	7	6	5	4	3	2	1	Unsure
<p>11. There is sufficient management support, appropriate participation by management and external advice/resources</p>	7	6	5	4	3	2	1	Unsure



available to the Board to conduct effective meetings and make good decisions.

Any comments?

12. The length, frequency and location of board meetings is sufficient.	7	6	5	4	3	2	1	Unsure
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Any comments on the length, frequency and location of board meetings?

13. The Board has good governance structures and processes in place that supports its ability to govern effectively.	7	6	5	4	3	2	1	Unsure
--	---	---	---	---	---	---	---	--------

Are there specific areas of the Board’s processes or structures that requires close Board attention for the upcoming year? If so, please comment below:

14. The Board has established the appropriate committees to undertake the Board’s mandate.	7	6	5	4	3	2	1	Unsure
--	---	---	---	---	---	---	---	--------

Any comments on Board Committees?

15. There is good participation by all Directors in meetings and Directors offer their perspectives openly and honestly.	7	6	5	4	3	2	1	Unsure
--	---	---	---	---	---	---	---	--------

Any comments on participation in meetings?

16. As a Board, we make decisions in the best interests of the AFNWA, not individual stakeholder interests.	7	6	5	4	3	2	1	Unsure
---	---	---	---	---	---	---	---	--------

Any comments on Board decision making in the interests of the organization?

17. Directors understand and respect the importance of maintaining confidentiality for Board documents, discussions and decisions.	7	6	5	4	3	2	1	Unsure
--	---	---	---	---	---	---	---	--------

Any comments on Board confidentiality?



18. The Board has effective stakeholder engagement processes in place including opportunities for stakeholder engagement.
Any comments on Board stakeholder engagement?

7 6 5 4 3 2 1 Unsure

19. The Board is informed and aware of stakeholder views/opinions on AFNWA issues.
Any comments on Directors’ awareness of stakeholder views?

7 6 5 4 3 2 1 Unsure

20. Directors support board decisions, once made.
Any comments?

7 6 5 4 3 2 1 Unsure

21. The top three strengths of the Board are:

22. The top three areas in which we could improve as a Board are:

PART II - THE BOARD CHAIR'S PERFORMANCE

Excellent Good Fair Poor

23. The Chair keeps the meeting focused, keeps us on track and on time and maintains effective meeting discipline.
Any Comments?

7 6 5 4 3 2 1 Unsure

24. The Chair demonstrates leadership and effectively manages the affairs of the Board.
Any Comments?

7 6 5 4 3 2 1 Unsure

26. The Chair values the importance of consensus decision-making.
Any Comments?

7 6 5 4 3 2 1 Unsure



27. The Chair encourages healthy debate and participation during meetings, with a view to constructively exploring solutions that are in the best interests of the AFNWA. <i>Any Comments?</i>	7	6	5	4	3	2	1	Unsure
28. The Chair keeps the Board informed of significant/sensitive issues. <i>Any Comments?</i>	7	6	5	4	3	2	1	Unsure
29. The Chair is an effective relationship builder - with Directors, the CEO (and senior leadership team), Owners and stakeholders. <i>Any Comments?</i>	7	6	5	4	3	2	1	Unsure
30. The Chair appropriately advances board business between meetings. <i>Any Comments?</i>	7	6	5	4	3	2	1	Unsure
31. The Chair's greatest strengths are:								
32. What suggestions, if any, do you have about how the Chair might improve their performance?								

PART III - THE VICE CHAIR'S PERFORMANCE	Excellent	Good	Fair	Poor				
33. The Vice Chair fulfills the expectations of the Chair, in the absence of the Chair. <i>Any comments?</i>	7	6	5	4	3	2	1	Unsure
34. The Vice Chair provides assistance to the Chair, when required. <i>Any Comments?</i>	7	6	5	4	3	2	1	Unsure
35. The Vice Chair participates actively in the discussion. <i>Any Comments?</i>	7	6	5	4	3	2	1	Unsure
36. The Vice Chair's greatest strengths are:								
37. What suggestions, if any, do you have about how the Vice Chair might improve their performance?								



Appendix I – Director Competency Assessment Tool

Director Competency Assessment Tool

Welcome

This Assessment focuses on the inventory of skills and competencies that the Board has available to contribute to the governance success of the Atlantic First Nations Water Authority Board.

The purpose of this assessment is to confirm areas of governance strength and to also identify where there is room for improvement.

You have been invited to complete this self-assessment as a member of the Board. These results will be reviewed by the Board Chair to identify priorities where development can be focused.

It is expected this survey will take you approximately 60 minutes to complete. You can stop and start the survey at any time. However, it is recommended that you save the document before closing the survey.

If you have any questions as you complete this survey, please contact the COO.

Name:

Time spent on Board:

Email Address:

Daytime telephone:

Assessment Overview

The Board of the AFNWA is accountable to provide effective stewardship and strategic leadership for the organization. The quality and effectiveness of governance is an important contributor to the achievement of the vision, mission and strategic goals of the AFNWA.

The knowledge, skills and experience of each Director and the Board as a whole are important elements in the success and viability of the AFNWA. Each Director should possess a range of critical attributes and qualifications in order to effectively fulfill the responsibilities as a member of the Board. Common attributes to all Directors include good judgment, maturity, personal integrity and strong interpersonal skills.

There are nine core competencies that are important for all AFNWA Board Directors. The degree of skill, experience and knowledge regarding these competencies will vary between Directors.

- | | |
|--|-------------------------------|
| 1. Stakeholders Relations/Communications | 6. Strategic Planning |
| 2. Governance and Board Experience | 7. Audit and Risk Management |
| 3. Ethics | 8. Human Resources Management |
| 4. Leadership | 9. Policy Experience |
| 5. Financial Literacy | |

For each core competency there will be a range of level of skills. Each is described below:

Basic Competency:

- Some knowledge and experience of the competency



- Understands basic terminology
- Can identify basic skills and attributes associated with the competency

Good Competency:

- Good understanding of the fundamentals of the competency gained through an appropriate combination of education, working knowledge, previous Board experience and completion of Director training
- Sufficient knowledge and experience to apply concepts to less complex issues

Strong Competency:

- Significant understanding and expertise of the competency gained through a combination of education, practical experience, previous Board experience and completion of Director education
- Participates fully in Board analysis, discussion and debate on more complex issues
- Ensures sufficient information is provided to support analysis and recommendations
- Challenges management's assumptions when needed and speaks out appropriately at Board meetings
- Uses knowledge to mentor new Directors and provide greater understanding of competency
- Makes significant contributions to long-term planning

Expert Competency:

- Expert understanding of the competency gained through an appropriate combination of education, practical experience, previous Board experience, professional designation, qualification or degree in the subject matter and completion of a Director training program
- Participates fully in Board analysis, discussion and debate on more complex issues
- Ensures sufficient information is provided to support analysis and recommendations
- Challenges managements assumptions when needed and speaks out appropriately at Board meetings
- Uses knowledge to mentor new Directors and provide greater understanding of competency
- Makes significant contributions to long-term planning
- Interprets complex data to contribute new knowledge in the competency areas
- Provides expert analysis and advice on complex issues

1. Stakeholder Relations and Communications

It is essential for stakeholders and Owners to have trust and credibility in the AFNWA in order to achieve its vision, mission and strategic goals. Effective stakeholder relations and communications play a critical role in achieving this trust and credibility. Directors foster positive stakeholder relations and communications by:

- Maintaining ongoing connection with stakeholder groups
- Keeping abreast of issues and developments that impact stakeholders.
- Attending formal stakeholder discussions and consultation sessions
- Obtaining informal feedback from stakeholders through your linkages in the community and sharing that information with the CEO to assist with operational and/or communications planning
- Participating in the Annual General Meeting
- Referring specific complaints about operational matters to the CEO or designate

1a. How would you rate your current level of Stakeholder Relations and Communications Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert



1b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.

2. Governance and Board Experience Competency

Governance is the process and structure for decision-making within an organization, with a view to establishing clear responsibilities and accountabilities. Effective governance provides a framework for action/implementation and enables an organization to move forward with confidence to achieve its mission and vision. The Board of the AFNWA believes that effective and efficient governance is an essential foundation for the organization's success.

Governance competency includes understanding and contributing to the development and articulation of the strategic plans, goals, policies and processes which govern and guide the way the AFNWA is managed. Directors should understand their role in providing effective stewardship and strategic leadership for the organization and have experience fulfilling key governance responsibilities including the following areas:

- Policy Development
- Strategic Planning and Corporate Performance
- Providing Financial Oversight
- Risk Management Oversight
- Human Resources Oversight
- Communications, Stakeholder Relations, Advocacy and Accountability
- Monitoring and evaluating CEO performance



2a. How would you rate your current level of Governance and Board Experience Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

2b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.

3. Ethics Competency

Ethical actions are those that are made in accordance with established laws, rules and organizational values that are supported by reasoned and objective evidence without any bias or self interest. Directors are expected to:

- act in good faith and exercise the good care, diligence and skills of a reasonably prudent person
- make decisions in the best interest of the AFNWA rather than individual stakeholder interests
- approve, affirm and continually support the mission, vision and values of the AFNWA
- ensure the values of fairness, openness, consultation and transparency are reflected in the governance and accountability of the system
- ensure that the organization's values are clearly stated, widely shared and provide a framework for decision making throughout the organization (i.e. code of conduct and conflict of interest policies in support of those values)

3a. How would you rate your current level of Ethics Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert



3b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.

4. Leadership

Leadership encompasses the ability to influence decisions while building consensual solutions. Effective leaders recognize the importance of all participants in deliberations and the importance of constructive discussions and debate. Leaders are effective communicators. Leadership involves approaching initiatives from a strategic perspective, championing new initiatives and working with others to achieve the strategic objectives of the AFNWA.

4a. How would you rate your current level of Leadership Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

4b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.



5. Financial Literacy

Financial literacy involves understanding financial reports and statements, accounting standards and assumptions and legislative requirements in order to effectively oversee the financial performance of the AFNWA.

A critical element of the success of the AFNWA includes the development of an Annual Business Plan and budget which are approved by the Board. Directors are required to understand how these are developed and the types of analysis required to effectively monitor results and variances.

5a. How would you rate your current level of Financial Literacy (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

5b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.



6. Strategic Planning

Strategic planning is a process that helps determine or confirm the AFNWA's overall vision and long-term direction. It includes assessing the broader environment, having a good understanding of the AFNWA's operations, understanding strategic planning processes and strategy formulation. It also requires collaboration and consultation in developing an appropriate and effective strategic plan, monitoring and implementation of the plan and evaluation methodologies.

6a. How would you rate your current level of Strategic Planning Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

6b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.



7. Audit and Risk Management

The Board is responsible for the oversight of the Board's risk management practices, including Enterprise Risk Management. Risk management involves identifying, measuring and managing significant risks and events that may impact on organization's objectives. It encompasses policies, procedures and controls and how risks are managed.

Directors must have an understanding of the risks facing the organization, the ways in which Management addresses and mitigates those risks and ensure that the financial statements accurately reflect the activities of the AFNWA. These functions are addressed through the activities which are carried out by the auditors, which involves systematically reviewing key risks and ensuring that the organization is compliant with legal and legislative requirements.

7a. How would you rate your current level of Audit and Risk Management Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

7b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.



8. Human Resources Management

The Board is responsible for providing human resources oversight for the AFNWA. This includes approval of high level human resource principles for the organization, appointment of the CEO, approval and monitoring of CEO compensation levels, succession planning for the CEO, monitoring reports on staff programs for health, safety and wellness, and approval of/revisions to governance policies such as the Board's Code of Conduct and Conflict of Interest Policies.

8a. How would you rate your current level of Human Resources Management Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

8b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.



9. Policy Experience

The Board is responsible for determining a process for developing policies for the AFNWA, establish priorities through a review of emerging issues and long-term trends, considering proposals for policies and approving new/amended policies.

9a. How would you rate your current level of Policy Experience Competency (select one as per the definition above)?

- Basic
- Good
- Strong
- Expert

9b. Please describe your skills, experience and/or levels of education/accreditation that supports your above selected level of competency.