BOARD OF DIRECTORS
GOVERNANCE POLICIES MANUAL

Governance Process

Ends

Board-GM Relationship

Executive Limitations
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December 2013
(Replaces: July 2013)
Policy Name: Mission

Policy Type: Ends

Our mission:

SeCan exists so there will be conditions that promote member success in the seed industry now and in the future, for a justifiable investment of member resources.

This is further interpreted to include, but is not limited to:

1. Desirable crop varieties of every major crop kind in each crop production area are available to members.

2. Seed related technology and systems are available to members.
   2.1. May include genetic features, advancements and products other than “seed” are available to members.
   2.2. Production systems associated with seed are available to members.
   2.3. Market related systems associated with seed are available to members.

3. A leading Brand image.
   3.1 There is broad based demand for SeCan brand products and services.

4. Protection of members' rights as the exclusive authorized producers and sellers of protected SeCan varieties.

5. Protect and promote an environment where SeCan members have the freedom to operate as independent seedsmen.

**Monitoring Method**

1. The General Manager will provide a report on the progress being made toward meeting the Mission annually at the Winter meeting.
On behalf of all SeCan members, the Board shall ensure that SeCan achieves appropriate results, now and in the future, for the appropriate people at an appropriate cost, and avoids unacceptable actions and situations.

1. The Board shall ensure operational compliance with legislation through monitoring of the CEO.

2. The Board shall ensure that its own governance processes are compliant with the Competition Act.

3. The Board shall ensure it has a systematic process to prioritize and address issues relevant to the achievement of the Ends.

**Monitoring Method**

1. Following each Board meeting, directors will complete the Board Meeting Self-Evaluation form including items listed within this policy.
The Board will govern with an emphasis on outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of Board and chief executive roles, collective rather than individual decisions, future rather than past or present, and proactivity rather than reactivity.

The Board will:

1. Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be an initiator of policy, not merely a reactor to staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board as a body, rather than to substitute the individual judgements for the Board's values.

2. Direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long term impacts outside the operating organization, not on the administrative or programmatic means of attaining those effects.

3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, policy making principles, respect of roles, speaking with one voice, and ensuring the continuity of governance capability.

4. Encourage continual Board development including orientation of new members in the Board's governance process and periodic Board discussion of process improvement. The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling its commitments.

5. Monitor and discuss the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-GM Linkage categories.
5.1 Appoint a member of the Board at the beginning of each meeting, on a rotational basis, to (i) remind the group at the beginning of the meeting, and during the meeting if required, of the Board’s process, (ii) to read one of the Board’s policies and (iii) to report on how well the Board performed at the end of the meeting. During the meeting, it is also the responsibility of the Chair and every member of the Board to ensure that the Board’s process is being followed.

6. Allow access to Board meeting minutes to Board members.
Meeting Monitor Rotation

It was agreed at the July, 2017 Board meeting that Directors would serve as meeting monitor in the following rotation:

Fall 2017 – Chris Churko
Winter 2018 – Chris Ens
Summer 2018 – John Hildebrand
The job of the Board is to represent the membership in determining and demanding appropriate organizational performance. To distinguish the Board's own unique job from the jobs of its staff, the Board will concentrate its efforts on the following job, "products", or, outputs.

1. Written governing policies which, at the broadest levels, address:

   1.1 **Ends**: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which needs at what cost).

   1.2 **Executive Limitations**: Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.

   1.3 **Board-GM Linkage**: How power is delegated and its proper use monitored; the GM role authority and accountability.

   1.4 **Governance Process**: Specification of how the Board conceives, carries out and monitors its own task.

2. The assurance of General Manager performance (against policies 1.1 and 1.2).

3. The assurance that SeCan’s financial reserves are appropriate, by reviewing the balance of the unrestricted and restricted funds against the Strategic Plan and reallocating if necessary at the Winter Board meeting (See EL-3 Reserve Fund Policy).
The Chair of the Board assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties. The Chair is the only Board member authorized to speak for the Board (beyond simply reporting Board decision), other than in rare and specifically authorized instances. The duties of the Chair and Vice-Chair shall be followed as specified in By-Laws section 9:00 Officers.

1. The job result of the Chair is that the Board behaves consistent with its own rules and those legitimately imposed upon it from outside the organization.

   1.1 Meeting discussion content will only be those issues which, according to Board policy, clearly belong to the Board to decide, not the General Manager.

   1.2 Deliberation will be fair, open, and thorough, but also efficient, timely, orderly, and kept to the point.

   1.3 The Canadian Society of Association Executives, “The Guide to Better Meetings for Directors of Non-Profit Organizations”, will be used to conduct SeCan business.

2. The authority of the Chair consists of making decisions that fall within the topics covered by Board policies on Governance Process and Board-GM Linkage, except where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies.
2.1 The Chair is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).

2.2 The Chair has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chair has no authority to supervise or direct the General Manager.

2.3 The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to him or her.

2.4 The Chair may officially enact the emergency succession plan on behalf of the board.

3. At the first Board meeting following the Annual Meeting, the Board shall hold separate elections for the Chair and Vice-Chair positions, as per By-Law 6:04 Chair of the Board and Vice-Chair of the Board. The General Manager will facilitate these elections. The Board will use a secret vote with all Board members being nominated for the first ballot. The Chair is elected when a nominee receives a majority of votes and accepts the nomination.

If one member does not receive a majority of votes, further ballots will be held. At this point the nominees receiving ballots in the first round will be identified, and the nominee receiving the fewest number of votes will be dropped. All nominees receiving only one vote will be dropped. In the following round(s) of voting the nominee receiving the fewest votes will be dropped until a Chair is elected. If the election deadlocks in a split vote and remains so after two further ballots, a coin toss will be used to determine the Chair.

An election for Vice-Chair will follow using the same protocol except the Chair is not a nominee.
Board committees, when used, will be assigned so as to minimally interfere with the wholeness of the Board's job and so as never to interfere with delegation from Board to General Manager. Any Board committee member has reasonable access to minutes of that committee.

1. Board committees are to help the Board do its job, not to help the staff do its job. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. Board committees are not to be created by the Board to advise staff.

2. Board committees may not speak or act for the Board except when formally given such authority for specific and time limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the General Manager.

3. Board committees cannot exercise authority over staff. Because the General Manager works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.

4. Board committees are to avoid over identification with organizational parts rather than the whole. Therefore, a Board committee which has helped the Board create policy on some topic will not be used to monitor organizational performance on that same subject.

5. This policy applies only to committees which are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the General Manager.
A committee is a Board committee only if its existence and charge come from the Board, regardless whether Board members sit on the committee. The only Board committees are those which are set forth in this policy.

1. NOMINATING COMMITTEE

Purpose: To receive and make nominations for Directors and ensure orientation of new Directors.

Duties:

1.1 To maintain a list of at least four potential candidates for each Director position.

1.2 To communicate to candidates, in priority sequence, regarding nomination to the Board once the sequence has been established at the fall meeting.

1.3 To select the candidate to be nominated by the Board for election.

1.4 To nominate at least one suitable candidate for each director position to be filled by election at the Annual Meeting as provided for in the By-Laws. The Committee will report before the Annual Meeting. The list of nominees will be provided to members by email with the first call for nominations. Nominations will open 90 days prior to the AGM and the last call for nominations will take place no less than 40 days prior to the AGM. Nominations will close 30 prior to the AGM.

1.5 To review and ensure compliance with section 6 of the bylaws.

1.6 To orientate new Board members in the Carver Governance Model and other Board matters:

1.6.1 Assign one Director to act as a mentor for the new Director.
1.6.2 Provide required information on the Carver Governance Model.

1.6.3 Obtain a short biography of the new Director.

Composition:
The Board of Directors shall appoint three SeCan members, not seeking election to the Board of Directors, to the Nominating Committee.

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2. GENERAL MANAGER RECRUITMENT AND TREATMENT OF STAFF COMMITTEE

**Purpose:** As required to recruit and select a General Manager, ensure the functional implementation of the emergency executive succession plan, and respond to any complaints by staff as per EL-7 Treatment of Staff.

**Duties:**

*GM Recruitment*

2.1 Engage outside professional recruitment agency.

2.2 Provide agency with comprehensive skills list as established (see next page, **Skills Review**).

2.3 Provide agency with Corporate Business Plan and core values of SeCan.

2.4 Mandate agency to provide resumes of a reasonable number of candidates (to a maximum of about 12) for the General Manager Recruitment Committee to consider. Develop rating system that is uniform, simple and easy to interpret.

2.5 General Manager Recruitment Committee evaluate resumes and recommend a short list of candidates to be interviewed by the Board.

2.6 With support from agency or other outside resource, develop interview process, format, questions, location, etc. Where possible provide Directors with at least 14 days notice prior to interviews, and adequate time should also be allowed for each interview with a maximum number of four interviews per day with at least 2.5 hours per interview and debriefing. In other words, clearly outline all the logistics.

2.7 Board to interview once or more and select top candidate or ask the recruiting agency to present additional candidates.

2.8 Follow with job offer, salary, benefits, etc. After acceptance, notify unsuccessful short-listed candidates.

2.9 Notify Board of Directors, staff and members regarding appointment of Incoming General Manager.
Emergency Succession

2.1 Bring a motion to each fall board meeting to approve the alternative designated signing authority, as named in the emergency succession plan until the next year’s review of the Emergency Succession Plan.

Respond to Staff Complaints/Concerns

3.1 Receiving legal advice if a complaint is received from Staff.

3.2 Notifying Board of Directors about complaints and legal advice.

3.3 Notify the General Manager as appropriate about complaints and legal advice.

3.4 Coordinate an investigation or whatever response they decide is required.

3.5 Passing concerns received about a supervisor back to the General Manager investigate (with legal guidance required) and keeping the Board informed of the status)

Composition: The General Manager Recruitment Committee shall be composed of the Chair and two Directors appointed by the Board in Summer on an annual basis.

Note: Legal Contact information can be found on the Board of Directors Committees
General Manager Recruitment Committee - **Skills Review**

**Planning and Organization**
Has excellent long-term strategic-planning skills.
Establishes appropriate course of action to accomplish specific goals.
Makes appropriate use of resources.
Ensures that daily activities contribute to and are timely with the overall organization’s short and long-term objectives.

**Communication Skills**
*Oral, Written and Reading*
Conveys and receives information clearly and concisely. Listens well. Exchanges information with others to maximize organizational effectiveness. Is always aware of the impact of nonverbal communication.

**Interpersonal Skills**
Establishes and maintains constructive working relationships. Utilizes alternative methods of dealing with individuals to elicit co-operation. Perceives and reacts to the needs of others.

**Leadership Skills**
Succeeds in getting ideas accepted, in a group or by an individual, toward task accomplishment. Spontaneously transfers own enthusiasm to others. As required, modifies behavioural style and approach to achieve goals. Individual is self starting and takes action beyond what is necessarily called for. Initiates action without prompting. Carries out tasks confidently. Remains stable under pressure and deals with frustration in a constructive manner.

**Accountability**
Ability to make decisions, take action and be accountable for results.

**Problem Solving**
Analyses situations and identifies key details. Develops alternate solutions to problems. Evaluates course of action to reach logical and timely decisions. Generates, recognizes and accepts innovations solutions and ideas in the workplace.

**Carver Governance Model**
Has the ability and desire to work with a voluntary board of directors using the Carver Policy Governance Model.

In addition to the comprehensive listing, the following might also be desirable characteristics:

- Current knowledge of Canadian agriculture
- Seed industry experience
- Good general marketing skills
- Strong financial and analytical skills.
### 3. SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT COMMITTEE

**Purpose:** To deal with all matters related to funding of SR&ED projects by SeCan

**Duties:**

3.1 To evaluate potential projects and decide which ones will be funded.

3.2 To decide the amount of funding to be provided to each approved project annually.

3.3 To conduct a direct inspection of the General Manager’s compliance with EL-3 Reserve Fund policy.

3.4 Other related duties.

**Composition:** The Committee shall be composed of one Director with little or no conflict of interest, the Research & Development Manager and the General Manager. The Director shall act as Chair, and the General Manager shall act as Secretary.

**Governance Status:** Board committee

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<td><strong>1.</strong> The committee will give a report on the activities of the SR&amp;ED Committee at the Summer meeting.</td>
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4. **ASSET PROTECTION MONITORING COMMITTEE**

*Purpose:* To monitor compliance with Asset Protection Policy EL-5

*Duties:*

4.1 To review the General Manager’s most recent Asset Protection Policy Monitoring report.

4.2 To take whatever action they feel is appropriate to confirm the accuracy of the above report.

4.3 To engage the services of a third party IT Security auditor to ensure the security of the SeCan computer system and website.

4.4 To report their findings to the Board of Directors.

*Monitoring Frequency:* At the discretion of the Board of Directors but at a minimum of every three years. *(Last monitored in July 2013)*

*Composition:* The committee will be composed of two directors.

*Governance Status:* Board committee

*Note: See EL-5.2 Asset Protection for Monitoring Method*
5. **AUDIT COMMITTEE**

**Purpose:** The primary function of the Audit Committee is to fulfill its oversight responsibilities by reviewing:

5.1 The financial information that will be provided to the Members;

5.2 The systems of internal controls, that management and the Board have established;

5.3 All audit processes; and

5.4 Compliance with laws, regulations, and policies that may apply.

**Duties:** To meet with the Auditors at the Winter board meeting to receive the information as detailed in the Committee’s purpose.

**Composition:** The committee will be composed of all SeCan Directors with the Vice-Chair of the SeCan Board serving as the Chair.

**Governance Status:** Board committee

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<tr>
<td>1. The Audit Committee will report to the membership at the Annual Meeting.</td>
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Board of Directors Committees

July 2017

Nominating Committee
Lyndon Olson (Chair)
John Hildebrand
Annie Bergeron

General Manager Recruitment and Treatment of Staff Committee
Kelly Barany (Chair)
Quentin Martin
Chris Churko

SeCan’s HR Legal Contact:
Kecia Podetz
Emond Harnden LLP
Tel.: (613) 940-2752
Fax.: (613) 563-8001
E-mail: kpodetz@ehlaw.ca

Scientific Research & Experimental Development Committee
Rick Van Laecke (Chair)
Chris Ens
Jim Downey
Jeff Reid

Asset Protection Monitoring
Committee
Chris Churko (Chair)
Lyndon Olson
Chris Ens

Audit Committee
Rick VanLaecke (Chair)
All Directors

Attach to SeCan Board Policy GP-6, page GP-6.7
In establishing policy for and on behalf of members, directors are custodians holding in trust the assets of the members' Association. Members recognize the need for competent and committed elected and designated directors to serve their organization and have put their trust in directors' abilities and sincerity. In return, members deserve the utmost effort and support.

The Board and its members acknowledge and undertake that they will observe a high standard of ethics and conduct as they devote their best efforts, resources and skills in the interest of SeCan and its members. Directors will perform their official duties in such a manner that members' confidence and trust in the integrity, objectivity and impartiality of SeCan are conserved and enhanced. To do otherwise would be a breach of trust bestowed on directors.

Conflict of Interest

1. It is recognized that every director has some degree of conflict of interest. However, directors will participate in discussions and vote with the betterment of the membership of SeCan Association as their priority. They recognize they have an obligation to act in a manner which will bear the closest public scrutiny.

   1.1 Directors will declare any real, potential or apparent conflict which is not immediately obvious with regard to any matter being discussed in their presence during a SeCan meeting.

   1.2 If the Board decides at any time that any directors have a conflict, the director(s) will accept the Board’s decision that the director(s) not participate in the discussion and leave the meeting at which the topic is under consideration. The directors understand the meeting's decision will be recorded in the minutes, but the reasons for the decision may not be recorded.

   1.2.1 Directors further understand that if they feel they have an unacceptable conflict of interest, they may inform the meeting and withdraw from the discussion and leave the meeting.

.../continued
1.3 A conflict of interest may arise in situations where:

- A director makes a decision or does an act motivated by other or additional considerations than the, “best interests of the Association”; or

- A director is a director of other associations or organizations that are contracting with SeCan; or

- A director personally contracts with the Association except that it will not be considered a conflict of interest for a director to contract to provide such services as are provided by other members in the normal course of business. For example, it will not be considered a conflict of interest for a member director to multiply stock seed under contract for the Association. However, such contracts must be reported to the Board annually at the Summer meeting; or

- A director learns of an opportunity for profit which might be valuable to him personally or to another organization or corporation of which he is a member.

**Information and Resources**

2. Directors will not knowingly take advantage of or benefit from information that is obtained in the course of their official duties and responsibilities and that is not generally available to members.

2.1 Directors will be alert to information which SeCan can use to develop better policies and strategies. At the same time, they will protect SeCan's information closely and will not release or share confidential information without the permission of the individual who provided it.

2.2 Directors understand information in Board of Directors and standing committee meeting minutes may be released to members with the exception of portions specifically identified as confidential. They further understand that all information provided to exclusive release application evaluation sub-committees and all minutes and decisions of such committees are confidential.
Resources

3. The members of SeCan are entitled to expect that directors, are mindful of resources which are in directors’ trust on behalf of members. Directors will help establish policies that ensure that resources are secure and protected.

3.1 Directors expect to be reimbursed for legitimate expenses incurred for the sake of SeCan. However, they will keep expenses reasonable and justifiable and if there is any doubt about what is a justifiable expense, they will discuss this with the Chair.

Gifts and Hospitality

4. Business associates may offer directors gifts, favours, or benefits on a personal basis because of the business SeCan does with them. Such offerings may be an effort to secure advantage from directors. Directors will reject such offers on the basis that it is against SeCan policy to accept gifts from business contacts. The most Directors will accept will be the usual promotional hand outs of nominal value.

4.1 Directors will not routinely accept the hospitality of others. For example, when meals are in order with others, Directors will pay for as many meals as their business colleagues.

Representing the Association

5. As part of their duties, directors represent SeCan formally and informally to other associations, officials from governments, universities, colleges and companies, agricultural producers, and members. Directors know that it is important that they represent SeCan in such a way as to leave others with a positive impression of the Association. They will each do their part to preserve and enhance the good reputation of the Association and will avoid behaviour which would damage its image.

.../continued
Authority

6. Directors may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

6.1 Directors' interaction with the General Manager or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.

6.2 Directors' interaction with public, press or other entities must recognize the same limitation and the inability of any Board member to speak for the Board.

6.3 Directors will make no individual judgements of General Manager or staff performance.

Participation in meetings.

7. Directors are expected to attend and actively participate in all board meetings and assigned committees.

7.1 Directors shall arrive on time, and be there for the full duration of the meeting – in body and in spirit.

7.2 Directors shall learn to speak up more often and offer their insights and ideas if they tend to hold back.

7.3 Directors shall learn to hold their comments back and listen more often if they tend to dominate.

7.4 Directors shall raise valid concerns, even at the risk of sounding stupid or being unpopular.

7.5 Directors shall give themselves permission to question the status quo or conventional wisdom.

7.6 When opposing an initiative, Directors shall be prepared to propose a better alternative.

7.7 Directors shall insist on the clarity of proposals, especially when votes are taken.

7.8 Directors shall help to introduce a light touch, especially when people are taking things too seriously.
General

8. If a director has suggestions of ways to improve Board policies, standards or ethics, it is their responsibility to contribute them through the Board of Directors.

9. Directors will not use their position as a director to suggest to any SeCan employee that they are entitled to or expect any special treatment beyond regular members of SeCan.

10. The Chair of SeCan shall ensure that the practice of this policy will be fair, just and equitable in all situations of interpretation and application.

11. Each Director will supply the Chair of the Nominating Committee with a list of at least four potential candidates to fill their position prior to the first meeting of each year.

Enforcement

12. The Chair has primary responsibility for immediate interpretation, application and enforcement of the policy. All complaints concerning a possible conflict of interest shall be made in writing to or by the Chair with a copy provided to the complainant.

12.1 The Chair shall make a preliminary determination of the issue and attempt initial resolution with the complainer and complainant.

12.2 If this initial attempt at resolution is not successful, the Chair shall appoint an ad hoc committee composed of three directors to conduct an investigation. The committee must submit a written report to the Chair within 30 days. The Chair will give his decision within 10 days of receiving the committee report.

../continued
12.3 The Chair's decision may be appealed in writing to the Board of Directors for consideration at their next regular meeting for a final decision.

12.4 Where the Chair is the subject of a written complaint, the Vice-Chair shall perform the duties assigned to the Chair for this matter.

12.5 Penalties imposed may include:

- Excluding the director from portions of all meetings and discussions that relate to the stated conflict of interest; and/or
- Private or public censure of the director; and/or
- Removal of the director from office by a resolution passed by a vote of two-thirds of the members voting at an annual or special general meeting of members, provided that notice of such proposed resolution is given with the notice calling any such meeting.

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### Monitoring Method

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<tr>
<td>1.</td>
<td>The General Manager shall provide a report to the Board annually in The Summer meeting showing the pertinent aspects of all service contracts in effect between the Association and each Director over the past 12 months.</td>
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<td>2.</td>
<td>The Chair shall ask the following questions at the beginning of every Board meeting following the approval of the agenda:</td>
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<td>• Does any Director feel they have a conflict of interest with any items on the agenda?</td>
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<td>• Does any Director feel another Director has a conflict of interest with any items on the agenda?</td>
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<tr>
<td>3.</td>
<td>Each Director shall review and sign a confidentiality agreement on a yearly basis with SeCan at the Summer meeting (after the AGM).</td>
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Directors, members and others who must incur expenses on SeCan business may be reimbursed for all reasonable travel and out-of-pocket costs. The policy covering such expense claims are as follows:

1. Those eligible to be reimbursed for travel expenses include:
   
   1.1 Sub-committee, special committee and standing committee members attending official meetings of their committee.
   
   1.2 Directors attending a Board of Directors meeting or other official SeCan meeting or representing SeCan at a meeting of another organization within their home province.
   
   1.3 Directors, members or others representing SeCan at meetings of other organizations or groups at the request of the Chair of the SeCan Board.
   
   1.4 Members or others invited to attend or participate in any function by the Chair of the SeCan Board.

2. Travel Expenses which may be claimed include:

   2.1 Taxi fare or mileage to and from the commercial airport nearest the applicant's home and parking charges at the airport.

   2.2 Return economy airfare to the commercial airport nearest to the function or an amount equivalent to the return economy airfare if the applicant chooses to drive. Those travelling are encouraged to take advantage of savings available through seat sales, pre-booking, and corporate or other discounts where convenient.
2.3 If air travel is not practical, the applicant may claim the current SeCan rate per kilometre driven.

2.4 Taxi, bus or rental car transportation from the airport to an appropriate hotel and return.

2.5 Taxi or bus transportation from the hotel to the function or functions and return.

2.6 All meals including tips purchased in transit and at destination.

2.7 Hotel room charges including tips, telephone charges and other incidentals.

2.8 Other miscellaneous costs associated with the applicant's travel to and from the function and his participation in the function.

SeCan meetings are often held in conjunction with other meetings. Those attending both meetings may wish to divide their travel costs in proportion to the time spent at each function. However, those who would not normally attend a non SeCan function may wish to charge most of their costs to SeCan.

Official receipts must be submitted only for airfare, car rental and hotel room charges.

3. Directors who must attend meetings or travel on SeCan business may receive a fee for service in addition to their travel costs. The policy covering this compensation is as follows:

3.1 All SeCan Directors are eligible to receive fees.

3.2 Fees will be paid for time spent on SeCan Board or Committee business at home or away. Travel time is included.
3.3 Effective July 2014, the fees will be in the amount of $300 per full day and $200 per half day for Directors, Chair and Vice-Chair. In recognition of their contribution beyond preparations for Board meetings, an annual honorarium will be paid to the Chair and to the Vice-Chair at the end of their respective one-year terms: $2,000 to the Chair and $1,000 to the Vice-Chair.

3.4 Directors will be reimbursed up to $600 a year for spousal travel to one Board meeting in each calendar year.

3.5 The fee should be claimed on a regular SeCan expense account form. Each claim should describe the activity.

3.6 All other office or miscellaneous expenses incurred on SeCan business are eligible for reimbursement. Examples include phone bills, photocopying, faxes, etc. Receipts are required for office and miscellaneous expenses over $100.

3.7 All Directors and members of standing committees are covered by Accidental Death and Dismemberment insurance to a maximum of $200,000 per individual while they are travelling on Association business. This policy has an aggregate limit of $1,000,000 which could come into effect if six or more claimants were involved in the same accident. This policy does not cover Directors while riding in aircraft owned or operated by the Director or a member of his family.

3.8 Claims for reimbursement for expenses should be submitted to the SeCan office soon after the function on a SeCan Statement of Expense form. Preparation and mailing of a cheque normally requires about three weeks.

3.9 The General Manager will report to the Board on an annual basis, at the first meeting of the calendar year, the amount of money paid to each Director under this expense policy in the preceding year.
1. The Board of Directors may discipline a member who contravenes or fails to comply with a By-Law or rule of the Corporation or with any written agreement with the Corporation by termination of that member's membership. In such cases, the following procedure shall be followed:

**Notice**
The member will be given written notice at least thirty (30) calendar days prior to the date termination of his membership is to take effect. This notice shall include the reason for the termination and notification that the member has the right to request a hearing to be held in accordance with written procedures attached to the notice. All written notices shall be effectively given if personally served or sent by Registered Mail.

The written procedures shall include the following information as a minimum:

**Request For Hearing**
A request by a member for a hearing must be in writing and must be received by the General Manager of the Association within thirty (30) calendar days of the mailing of the notice of disciplinary action to the member.

**Hearing**
If a member requests a hearing, the General Manager of the Association shall inform the Chair of the Board of Directors. The Chair shall review the request and shall appoint a special committee comprised of not fewer than two Directors to conduct the hearing. The special committee shall elect one of its members to be its chair, and, in the absence of the chair, any member of the committee may be elected by the committee members present to preside at any of its meetings. Committee meetings shall be closed to all except the member who has requested the hearing and others invited to attend by the committee.

.../continued
The hearing shall take place within 60 calendar days of mailing of the member’s request and shall comply with the procedures attached to the member’s notice.

The member shall be given written notice indicating the time and place of the hearing at least 21 calendar days before such hearing. The hearing may take place via conference call at the discretion of the Corporation.

The member may forward a written submission to the hearing, or he may appear in person at the hearing. Any written submission must be mailed to the head office of the Association no less than 14 calendar days before the date of the hearing. The member may appear at the hearing in person, with or without counsel, and shall be given an opportunity to explain the reasons for his objection to the disciplinary action proposed. The committee may ask the member for additional information. If the member fails to appear in person at the hearing, the committee may determine the matter in his absence.

The proceedings of the special committee shall be recorded.

Costs
All costs incurred by the special committee in conducting the hearing including the travelling expenses of committee members, Association staff, Association counsel, and professional fees shall be paid by the Association. All costs incurred by the member including his travelling expenses and those of his counsel shall be paid by the member. The member will not be required to pay any costs incurred by the Association, and the Association will not be required to pay any costs incurred by the member under any circumstances.

Decision
Within 30 calendar days after the conclusion of the hearing, the special committee shall determine what disciplinary action, if any, is to be taken and shall so inform the member in writing.

The decision of the special committee shall be final and binding on the Corporation and on the member.

2. If the Chair of the Board of Directors is notified that a member has requested a hearing regarding a disciplinary action taken by the General Manager, the Chair shall review the request and shall appoint a special committee comprised of not fewer than two Directors to conduct the hearing. The location of the hearing will be at the discretion of the Chair and the appointed directors and may take place via conference call. The hearing procedure shall be as described above.

*Note: In addition to this policy, see EL-10: 3 Treatment of Members for another method that Member Discipline may occur, originating from the General Manager.*
Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity.

1. Candidates for Board membership shall be provided with information that clearly outlines the role of the Board, the necessary qualifications and the Board’s expectations of Board members.

2. The Board recognizes that continual updating of skills and awareness of new issues are vital to a member’s contribution to the Board. Therefore, it is expected that:
   
   2.1 New Board members shall receive a complete orientation to ensure familiarity with SeCan Board issues, the organization’s structure, and the Board’s process of governance.

   2.2 Board members shall have ongoing opportunity for continued training and education to enhance their governance capabilities.

3. Outside monitoring assistance will be arranged so that the Board can exercise sufficient control over organizational performance. This includes but is not limited to fiscal audit.

4. The Board will establish and be accountable for an annual budget for its own governance functions which shall include, in addition to the cost of Board and Board committee meetings, funds for:

   4.1 Board member attendance at conference and conventions.

   4.2 Improvement of its governance function.

   4.3 Costs of fiscal audit and any other outside monitoring assistance required.

   …/continued
Policy Name: Investment in Governance

Policy Type: Governance Process

4.4. Costs of methods such as focus groups and surveys to ensure the Board’s ability to listen to owner viewpoints and values.

5. The Board will establish governance process policies and a governance action plan which will serve as measurable standards against which the Board’s performance can be evaluated.

5.1 Under the leadership of the Chair, at least annually the Board will conduct a self-evaluation. As a result of this evaluation, the Board will include in its governance action plan specific goals and objectives for improvement of identified areas.

5.2 The Board will monitor its adherence to its own Governance Process policies regularly. Upon the choice of the Board, any policy can be monitored at any time. However, at minimum, the Board will both review the policies, and monitor its own adherence to them, according to the schedules set in the Board’s Planning Cycle and the Monitoring Compliance Report.

<table>
<thead>
<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. The Chair will provide a report on compliance of this policy annually at the summer meeting.</td>
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<tr>
<td>Policy Name</td>
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<tr>
<td>Reserve Fund Policy</td>
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<tr>
<td>Financial Condition</td>
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<tr>
<td>Governance Commitment</td>
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<tr>
<td>Board Committee Structure</td>
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<tr>
<td>Board Members Code of Conduct</td>
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<tr>
<td>Board &amp; Committee Expenses</td>
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<tr>
<td>Investment in Governance</td>
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<tr>
<td>Board Linkage with Ownership</td>
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</table>

*Each Director to provide a written report for the Winter meeting.

Changes Requested:
The, “owners”, of SeCan are defined as its members. The Board shall be accountable for the organization to its owners as a whole. The Board shall act on behalf of the owners as a whole, rather than being advocates for specific geographic areas or interest groups.

1. When making governance decisions, Board Members shall maintain a distinction between their personal interests as, “customers”, of the organization’s services and their obligation to speak for others as a representative of the, “owners”, as a whole. As representatives of the owners, Board Members are obligated to identify and know what the owners want and need.

2. The Board will review and update the Board Linkage Calendar annually at the Summer meeting.

3. Linkage between the Board and the membership may be accomplished through a variety of methods, including, but not limited to, meetings, surveys and advisory committees as outlined in the Board’s Linkage Plan.

4. The Board will accept resolutions prior to the AGM and the Chair will coordinate consideration of resolutions and responses prior to the AGM.

5. When responding to Resolutions passed at the SeCan Annual General Meeting the process shall be as follows:

   a. Communicating the resolution to the entire membership.

   b. Explaining to Members how matters related to the resolution are handled under Policy Governance.

   c. Communicating any compliance violations and necessary corrective actions identified by the resolution.

   d. Communicating any necessary policy changes identified by the resolution.

   e. Directing staff to respond to any operational aspects of the resolution.
f. Review the resolution and response(s) at the following Annual General Meeting.

<table>
<thead>
<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. Each Director will provide a report annually, at the Winter meeting, on Board Membership linkage in their region.</td>
</tr>
<tr>
<td>2. The Board will review and update the Board Linkage Calendar annually at the Summer meeting.</td>
</tr>
<tr>
<td>3. The Board will address any resolutions passed at the SeCan Annual meeting at the next scheduled board meeting.</td>
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</tbody>
</table>
# Board Linkage Calendar

**Revised Summer 2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>Activity</th>
</tr>
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<tbody>
<tr>
<td>2009</td>
<td>Focus Groups</td>
</tr>
<tr>
<td></td>
<td>Regional Member Meetings</td>
</tr>
</tbody>
</table>
| 2010 | Board Feedback Sessions (at fall business meetings)  
      | Follow-up with postcard in January 2011 |
| 2011 | Postcard mailed January  
      | 35th Anniversary Reception in Hamilton  
      | Regional Member Meetings, November  
      | Member Brand Research Survey – added question on priority issues |
| 2012 | Summer Board Meeting - Session with Independent Seedsmen  
      | Regional Member Meetings, November – lunch with younger/new members |
|      | Electronic Survey on IPP - January 2013  
      | Open House at Halifax AGM |
|      | Regional Member Meetings, November - Review strategic plan and AGM changes, - Do table “focus groups” during lunch  
      | Email reports to members from the Board |
|      | Add activities based on November 2013 focus groups  
      | AGM, July in Regina  
      | Email reports to members from the Board  
      | Presentations to Provincial Seed Growers’ AGMs |
| 2014 | AGM, July in Montreal  
      | Email reports after Board meetings  
      | Regional Member Meetings, November |
| 2015 | 40 Anniversary Event AGM in Manitoba  
      | Email reports after Board meetings  
      | Regional Member Meetings, November  
      | Member Survey at Member Meetings |
| 2016 | AGM  
      | Podcast  
      | Email reports after Board meetings  
      | Focus Group  
      | Regional Member Meetings, November |
| 2017 | AGM  
      | Survey  
      | Email reports after Board meetings  
      | Regional Member Meetings, November |
| 2018 | AGM  
      | Email reports after Board meetings  
      | Regional Member Meetings, November |
| 2019 | Email reports after Board meetings  
      | Regional Member Meetings, November |
To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda which (a) completes a re-exploration of Ends policies annually and (b) continually improves Board performance through Board education and enriched input and deliberation.

Accordingly,

1. The Board shall maintain control of its own agenda by reviewing each year at the summer meeting, the Board Planning Cycle (GP-12.3) which includes, but is not limited to:

   1.1 Considered review of the Ends in a timely fashion which allows the General Manager to build a budget.

   1.2 Consultations with selected groups in the ownership, or other methods of gaining ownership input.

   1.3 Scheduled time for education related to ends determination (for example, presentations relating to the external environment, demographic information, exploration of future perspectives which may have implications, presentations by advocacy groups, and staff).

   1.4 Scheduled time for monitoring of the Board’s own compliance with its Governance Process policies, and for review of the policies themselves.

   1.5 Scheduled time for monitoring compliance by the General Manager with Executive Limitations and Ends policies, and for review of the policies themselves. Monitoring reports will be provided and read in advance of the Board meeting, and discussion will occur only if reports show policy violations, if reports do not provide sufficient information for the Board to make a determination regarding compliance, or if policy criteria are to be debated.

.../continued
1.6 Scheduled time for education about the process of governance.

2. Based on the Board Planning Cycle, the Board delegates to the Chair the authority to fill in the details of the meeting content. The detailed agenda shall be prepared jointly by the Board Chair and the General Manager. Potential agenda items shall be carefully screened to ensure that they relate to the Board’s job description rather than simply reviewing staff activities. Screening questions shall include:

2.1 Clarification as to whether the issue clearly belongs to the Board or the General Manager.

2.2 Identification of what category an issue relates to – Ends, Executive Limitations, Governance Process, or Board-General Manager Relationship.

2.3 Review of what the Board has already said in this category, and how the current issue is related.

3. Throughout the year, the Board will attend to Consent Agenda items as expeditiously as possible. When an item is brought to the Board via the Consent Agenda, provided that compliance with all of the criteria in Executive Limitations has been demonstrated, the Board will not discuss the item prior to approval. An exception will be made only if a majority of the Board votes to remove the item from the Consent Agenda for discussion.
<table>
<thead>
<tr>
<th>Linkage to Ownership</th>
<th>Ends Policy</th>
<th>Board-GM Linkage</th>
<th>Executive Limitations</th>
<th>Board Operations</th>
<th>Board Education</th>
</tr>
</thead>
</table>
| **Summer** 1 ½ days | Actual Annual Meeting  
Review the Board Linkage Plan | Education/description regarding Ends items | Monitoring | Budget  
Planning Cycle (including meeting dates and locations)  
Board Self Evaluation  
SR&ED Committee Report | As prioritized in the vision document:  
“SeCan Board of Directors Issues Summary” |
| **Summer** (new Board after Annual Meeting) | Plan ownership linkage strategy. | | | | |
| **Fall** 2 days | Annual Meeting Planning  
(location & dates)  
Address Resolutions passed at the AGM | Education/description regarding Ends items  
Every third year Review Manual (next done in 2020) | Every third year Review Manual (next done in 2016) Monitoring | Review Potential Director nominees for next AGM and review the Director Nominee Acceptance Form  
By-Law Review  
Compile list for Direct Inspection of Evidence by Auditors  
Review Member Agreement | |
| **Winter** 2 ½ days | Reports from Directors on Regional Meetings and Membership Linkage in Their Area  
Annual Meeting Planning | Review the Ends  
Ends Monitoring Report by General Manager | Monitoring  
Review the Strategic Plan and set fund limits | Every third year Review Manual (next done in 2018)  
Audit Committee Duties  
Auditor Report and Direct Inspection of Evidence by Auditors | |

**Policy Last updated Fall 2016**

**GP-12.3**
In keeping with the Board’s commitment to excellence in governance, the Board shall strive to solicit for positions on the Board candidates who have characteristics that will enable them to govern, not to manage, the organization. These characteristics include:

1. Commitment to linking with the ownership. Understanding that they stand in for an ownership of diverse people; willing to actively seek to access and understand that diversity.

2. Ability to think in terms of systems and context – to see the big picture.

3. Interest in and capability to discuss the values underlying the actions taken in the organization, and to govern through the broader formulations of these values.

4. Ability and willingness to deal with vision and the long term, while delegating operational and day-to-day details to others.

5. Ability and willingness to participate in discussion and express opinions in a concise, focused and constructive way, while respecting the opinions of others.

6. Willingness and commitment to honour Board decisions.

7. Commitment not to make judgements in the absence of previously stated criteria.

8. Willing to support the Ends of SeCan and believe in developing a strong national association.

9. Willing to have an open mind and to challenge the status quo.

10. Actively involved in and knowledgeable about the seed industry.

continued
11. Ability and willingness to accept a leadership role.

12. Willingness to devote the necessary time to the task (at least 10 days per year) and willingness to travel.

13. Willingness to participate actively in development of policies through the democratic process.

<table>
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<tr>
<th>Monitoring Method</th>
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<tr>
<td>1. Each Director will sign a Director Nominee Acceptance form prior to being elected.</td>
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</table>
The General Manager shall not cause or allow any practice, activity, decision or organizational circumstance which is either imprudent, unlawful, or in violation of commonly accepted business and professional ethics.

Without limiting the scope of the above by the following list, and as per By-Law 17:00 the Board permits:

In the event of a short-term absence, the General Manager may designate signing authority, in writing, to the alternative designated signing authority, as approved by the board, for a period not exceeding 30 consecutive days. The Chair and Vice-Chair are to be notified, in writing, when signing authority is delegated.

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<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. The General Manager will provide a report to the Board annually at the Summer meeting on this policy.</td>
</tr>
</tbody>
</table>
Planning for the future shall not deviate materially from Board Ends priorities, risk fiscal jeopardy, nor risk the ability to achieve Ends in the future.

Without limiting the scope of the above by the following list, the General Manager shall not:

1. Permit budgeting any fiscal year or the remaining part of any fiscal year that deviates materially from Board Ends priorities, risks fiscal jeopardy, deviates from Board determined fund levels (Unrestricted Fund, Restricted Contingency Fund, Restricted Research Fund), or is not derived from a multi-year budget.

2. Permit budgeting that contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

3. Permit budgeting that provides less than adequate funds per annum for Board budgeted activities and expenses.

4. Permit budgeting that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve ends in future years.

5. Permit planning that is inconsistent with the Strategic Plan or omits regular analysis of strengths, weaknesses, opportunities and threats, including environmental issues, analysis of the projected importance of each crop to SeCan’s members’ profitability, and assessment of the appropriate amount of research investment necessary to achieve Ends in future years.

/continued
### Monitoring Method

|   | The General Manager will provide a report on compliance with this policy annually at the Fall meeting. |

Policy Name: Reserve Fund Policy

Policy Type: Executive Limitations

The General Manager shall not manage the reserve funds in a way that risks fiscal jeopardy or is inconsistent with meeting the Ends of the organization.

Accordingly, he or she shall not:

1. Be without a Strategic Plan that justifies that reserve funds are appropriate to meeting organizational ends.

2. Maintain a larger “Unrestricted Fund” than is reasonably expected to be necessary to meet the budgeted operating requirements of the organization.

3. Be without an appropriate on-going restricted “Contingency Fund” based on a detailed analysis of the operational risks facing the organization.

4. Be without a restricted “Research Fund” which:
   4.1 Is sustainable over a minimum 10 year time horizon;
   4.2 Is drawn upon strictly for the purpose of maintaining an on-going flow of desirable varieties for members;
   4.3 Does not deviate materially from the Strategic Plan;
   4.4 Is used to invest only after using stringent methods of evaluating and prioritizing new research investment opportunities to ensure maximum success for members.

<table>
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<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td><strong>1.</strong> The General Manager will report on compliance with this policy at the Fall meeting.</td>
</tr>
<tr>
<td><strong>2.</strong> The SRED Committee will conduct a direct inspection and report on the General Manager’s compliance with point 4 of this policy at the Summer meeting.</td>
</tr>
</tbody>
</table>
3. The Board will review the balance of the Unrestricted and Restricted funds against the Strategic Plan and reallocate if necessary at the Winter Board meeting (See GP-3 Board Job Contributions).
With respect to the organization's financial health, the General Manager will not cause or allow the development of fiscal jeopardy or expenditures which deviates materially from the Ends.

Accordingly, he or she shall not:

1. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

2. Expose the organization to potential significant liability without appropriate credit checks.

3. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

4. Make financial investments of the Unrestricted Fund that are not diversified to preserve capital, optimize liquidity and maximize return. Nor shall they:

   4.1 Keep investments that are not accessible within one year.

   4.2 Make investments other than the following:

       • Government of Canada or Federal Government guaranteed investments (e.g. Farm Credit Corp, Canada Mortgage and Housing and CDIC backed);
       • Provincial Government or Provincial Government guaranteed investments (e.g. Municipalities, Cities);
       • Investments guaranteed by any Canadian Financial Institution with a Moody’s A1 (or equivalent) rating or better.

   4.3 Fail to stagger investment maturity dates to meet cash flow requirements, minimize risk and optimize return.

.../continued
5. Make financial investments of board Restricted Contingency Fund that are not diversified to preserve capital, optimize liquidity and maximize return. Nor shall they:

5.1 Invest more than 40% of the fund for a term longer than 5 years.

5.2 Make investments other than the following:

- Government of Canada or Federal Government guaranteed investments (e.g. Farm Credit Corp, Canada Mortgage and Housing and CDIC backed);
- Provincial Government or Provincial Government guaranteed investments (e.g. Municipalities, Cities);
- Investments guaranteed by any Canadian Financial Institution with a Moody’s A1 (or equivalent) rating or better.

5.3 Fail to stagger investment maturity dates to meet contractual obligations, minimize risk and optimize return.

5.4 Invest more than 30% of the fund in any one financial institution as described in 5.2.

6. Make financial investments of board Restricted Research Fund that are not diversified to preserve capital, optimize liquidity and maximize return. Nor shall they:

6.1 Invest more than 50% of the fund for a term longer than 5 years.

6.2 Make investments of less than 60% of the fund in other than the following (safety allocation):

- Government of Canada or Federal Government guaranteed investments (e.g. Farm Credit Corp, Canada Mortgage and Housing and CDIC backed);
- Provincial Government or Provincial Government guaranteed investments (e.g. Municipalities, Cities);
- Investments guaranteed by any Canadian Financial Institution with a Moody’s A1 (or equivalent) rating or better.

6.3 Make investments of greater than 20% of the fund in other than the following (fixed income allocation);
• A diversified portfolio of debt instruments issued by Canadian and non-Canadian governments, corporations and financial institutions with a weighted minimum average credit rating of A.

6.4 Make investments of greater than 20% of the fund in other than the following (equity allocation);

• A diversified equity portfolio of Canadian and/or non-Canadian corporations.

6.5 Fail to stagger investment maturity dates to meet contractual obligations, minimize risk and optimize return.

6.6 Invest more than 30% of the portfolio in any one financial institution as described in 5.2.

7. Be without a written agreement between the Association and the fund manager that requires compliance with SeCan investment policy as outlined in EL-4 points 4, 5 and 6.

8. Allow the Board to be uninformed of the ongoing financial condition of the organization with respect to operational income and expenses relative to budget, investment profile, investment income and relative investment performance.

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<th>Monitoring Method</th>
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<tr>
<td>1. SeCan’s auditors will report on point 3 at the end of each fiscal year.</td>
</tr>
<tr>
<td>2. The General Manager will provide a detailed report on all items in EL-4 to the Board annually at the Winter meeting.</td>
</tr>
<tr>
<td>3. The General Manager will provide a report on point 8 at each Board meeting.</td>
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</table>
Policy Name: Asset Protection

Policy Type: Executive Limitations

The General Manager will not allow assets to be inadequately protected or maintained nor unnecessarily risked. Accordingly, he or she will not:

1. Fail to insure against theft and casualty losses to at least 80% replacement value and against liability losses to Board members, staff or the organization itself in an amount greater than the average for comparable organizations but not less than $5,000,000.

2. Allow non bonded personnel access to material amounts of funds.

3. Subject capital assets to improper wear and tear or insufficient maintenance.

4. Unnecessarily expose the organization, its Board or staff to claims of liability.

5. Make any purchase or enter into any contract:
   - Wherein normally prudent protection has not been given against conflict of interest.
   - For Assets:
     - Of over $10,000 without a stringent method of assuring the balance of long term cost, value and quality.
   - For Seed Multiplication Contracts or Market Development contracts:
     - Without a stringent method of assuring the balance of long term cost and quality.
6. Fail to protect intellectual property, information and files from significant
damage or unauthorized release to third parties. This includes, but is not
limited to electronically stored information.

7. Fail to have a comprehensive plan to continually enhance and protect the
SeCan brand.

8. Receive, process or disburse funds under controls which are insufficient to
meet the Board-appointed auditors’ standards.

9. Receive, process or disburse funds electronically without procedures and
controls that prevent financial loss or misallocation.

10. Invest or hold short-term working capital in insecure instruments, including
uninsured chequing accounts or in non-interest bearing accounts except
where necessary to facilitate ease in operational transactions.

11. Acquire, encumber or dispose of real estate without the approval of the
Board.

12. Encumber any current or future variety licenses.

13. Endanger the organization’s public image or credibility, particularly in ways
that would hinder its accomplishment of mission.

14. Allow the Association to be without adequate product errors and omissions
insurance coverage that protects Directors, Officers and the Association.

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<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. Internal Report: The General Manager will provide a Report on compliance with this policy annually at the Fall meeting.</td>
</tr>
<tr>
<td>2. Direct Inspection: The Asset Protection Monitoring Committee will report to the Board the findings of both internally and externally conducted audits every three years except for the first two years following the appointment of a new General Manager when this Committee will report annually.</td>
</tr>
</tbody>
</table>

*Note:* See GP-6 Committee Structure for Details on the Asset Protection Monitoring Committee.

| 3. Direct Inspection: A qualified third-party will report to the Board the findings of an Information Technology Security Audit, on point 6 of this Policy, every two years at the Fall meeting. |
Policy Name: Emergency Executive Succession

Policy Type: Executive Limitations

In order to protect the Board from sudden loss of the General Manager's services, the General Manager will not have fewer than two additional staff members familiar with Board and General Manager issues and processes and one staff member prepared to be the alternative designated signing authority.

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<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. The General Manager will report annually to the Fall Board of Directors meeting on which staff members are familiar with each of his various responsibilities and which staff member is proposed as the alternative designated signing authority.</td>
</tr>
</tbody>
</table>
With respect to treatment of paid and volunteer staff, the General Manager shall not cause or allow working conditions which are unfair, undignified, or unsafe.

Further, without limiting the scope of the above statement by the following list, the General Manager shall not:

1. Operate without written human resources procedures which clarify expectations and working conditions for staff, provide for effective handling of grievances, and protect against wrongful conditions.

2. Operate without a performance management plan for employees, which include annual evaluations and development plans.

3. Discriminate against any staff member for expressing an ethical dissent internally.

4. Prevent staff from appealing to the Board when:
   (a) internal grievance procedures have been exhausted; and
   (b) employee alleges either:
      (i) that Board policy has been violated to his or her detriment, or
      (ii) that Board policy does not adequately protect his or her human rights.

5. Fail to acquaint staff with their rights under this policy.

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<tr>
<td><strong>1.</strong> This policy will be monitored by the Chair through Direct Inspection and reported annually at the Fall meeting. The Chair will email each employee; employees will be instructed to acknowledge receipt and reply with any concerns via email, phone, or mail directly to the Chair.</td>
</tr>
<tr>
<td><strong>2.</strong> The General Manager will provide a report annually at the Fall meeting on compliance with this policy.</td>
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</tbody>
</table>
With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the General Manager will not jeopardize the fiscal integrity or public image of the corporation. Accordingly, he or she will not:

1. Promise or imply permanent or guaranteed employment.

2. Establish current compensation and benefits which:
   2.1 Deviate materially from the geographic or professional market for the skills employed.
   2.2 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.

3. Establish or change pension benefits so the pension provisions:
   3.1 Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.
   3.2 Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity in key employees are not prohibited.
   3.3 Allow any employee to lose benefits already accrued from any foregoing plan.
   3.4 Treat the General Manager differently from other comparable key employees.
   3.5 Are instituted without prior monitoring of these provisions.
4. Compensate him or herself other than as authorized in writing by the Board of Directors.

5. Fail to supply to the each director a copy of the current SeCan Staff Expense Policy with any changes made in the past 12 months noted. This is for the sole purpose of establishing the General Manager’s Expense Account Policy.

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<thead>
<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. SeCan’s auditors will include a report on items 3 and 4 of the policy in their regular report.</td>
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<tr>
<td>2. Annually, at the first Board of Directors meeting following year end, the General Manager will report to the Board on this policy including any unfunded liabilities in staff compensations and benefits in dollar amounts.</td>
</tr>
</tbody>
</table>
Policy Name: Communication and Support to the Board

Policy Type: Executive Limitations

With respect to providing information and counsel to the Board, the General Manager will not permit the Board to be uninformed. Accordingly, he or she will not:

1. Neglect to submit monitoring data required by the Board (see policy BG-5 Monitoring General Manager Performance) in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.

2. Let the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes.

3. Fail to advise the Board if, in the General Manager's opinion, the Board is not in compliance with its own policies on governance process and Board staff relationship, particularly in the case of Board behaviour which is detrimental to the work relationship between the Board and the General Manager.

4. Fail to make available to the Board adequate information to support informed Board choices, including relevant environmental scanning data, a representative range of staff and external points of view, significant issues or changes within the external environment which may have a bearing on any existing Board policies, along with alternative choices and their respective implications.

5. Present information in unnecessarily complex or lengthy form.

6. Fail to provide a mechanism for official Board, officer or committee communications.

.../continued
7. Fail to deal with the Board as a whole except when:
   - Fulfilling individual requests for information.
   - Responding to officers or committees duly charged by the Board.

8. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board.

9. Fail to report in a timely manner any legal action being taken against SeCan and/or the Board of Directors.

10. Release formal Position Statements of the Association without providing such statements to the Board in advance.

11. Fail to notify the Board disciplinary action has been taken against a SeCan Member.

12. Fail to notify the Chair, in a reasonable time, that discipline will take place against a SeCan Member.

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<th>Monitoring Method</th>
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<tr>
<td>1. The General Manager will provide a Report on the above policy annually at the Fall meeting except</td>
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<tr>
<td>for the first two years following the appointment of a new General Manager when the General Manager</td>
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<tr>
<td>will provide a Declaration of Compliance to each Board meeting.</td>
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<tr>
<td>2. The General Manager will provide feedback on point 3 to the Meeting Monitor after each Board meeting</td>
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<tr>
<td>by completing the General Manager Governance Feedback form.</td>
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</tbody>
</table>
The General Manager shall not cause or allow conditions, procedures, circumstances or decisions that are unsafe, disrespectful, unnecessarily intrusive, that fail to provide adequate confidentiality or privacy, or that otherwise jeopardize the quality of service to members.

Further, without limiting the scope of the above statement by the following list, the General Manager shall not:

1. Fail to ensure that member confidentiality is respected and maintained.
   1.1 Use forms or procedures that elicit information for which there is no clear necessity.
   1.2 Use methods of collecting, reviewing, storing or transmitting client information that fail to protect against improper access to the information elicited as required by provincial and federal (PIPEDA) privacy legislation.

2. Fail to establish with members a clear understanding of what may be expected and what may not be expected from the service offered.

3. Be without a realistic member disciplinary plan. Accordingly, he or she will not be out of compliance with the By-Laws and/or the SeCan Member Agreement.

../continued
4. Engage SeCan in Certified seed sales in a manner which competes directly with members.

5. Permit varieties to be released in a way which is unfair, unstructured, or inconsistent with SeCan’s Ends.

<table>
<thead>
<tr>
<th>Monitoring Method</th>
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<tbody>
<tr>
<td>1. The General Manager will report to the Board annually at the Summer meeting on this policy.</td>
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</table>
Policy Name: Ownership of Member Agreement

Policy Type: Executive Limitations

When providing support to the Board in the development or amendment of the Member Agreement or By-Laws, the General Manager shall not propose amendments inconsistent with the initial direction of the Board or the ability to achieve the Ends, nor implement amendments prior to the final approval by the Board.

Further, without limiting the scope of the above statement by the following list, the General Manager shall not:

1. Let the Board be unaware of the need for changes to the Member Agreement.

2. Have a US Member Agreement that’s materially different from the Canadian Member Agreement.

3. Initiate amendments to Member Agreement or By-Laws without involving the Board in the initial discussion of options, nor continue the development or amendment of the Member Agreement or By-Laws in a direction inconsistent with that specified by the Board.

4. Pursue amendments to Member Agreement or By-Laws without engaging appropriate legal advice as required.

5. Neglect to obtain input from the diverse perspectives of the membership regarding issues that affect them as part of the process of proposing amendments.

6. Let the Board be unaware if there are any changes in the assumptions under which the initial position was developed, or if there are legal or governmental obstacles to proceeding with that position.

.../continued
7. Implement amendments prior to approval by the Board on the Required Approvals Agenda.

8. Let the Board be without a cumulative record of Board decisions regarding positions during development or amendment of the Member Agreement.

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<th>Monitoring Method</th>
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<tr>
<td><strong>1.</strong> The General Manager will report to the Board annually at the Winter meeting on this policy.</td>
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</table>
The Board’s sole official connection to the operational organization, its achievements and conduct will be through the General Manager.
Policy Name: Unity of Control

Policy Type: Board-General Manager Relationship

Only officially passed motions or recorded decisions of the Board are binding on the General Manager.

Accordingly:

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized such exercise of authority.

2. In case of Board members or committees requesting information or assistance without Board authorization, the General Manager can refuse such requests that require, in the General Manager’s opinion, a material amount of staff time or funds or are disruptive.

3. Only the Board acting as a body can employ, terminate, discipline, or change the conditions of employment of the General Manager.
The General Manager is the Board’s only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the General Manager.

Accordingly:

1. The Board will never give instructions to persons who report directly or indirectly to the General Manager.

2. The Board will refrain from evaluating, either formally or informally, any staff other than the General Manager.

3. The Board will view General Manager performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and compliance with Executive Limitations will be viewed as successful General Manager performance. Therefore, the General Manager’s job contributions shall be accomplishment of the Ends while maintaining compliance with the Executive Limitations.
Policy Name: Delegation to General Manager

Policy Type: Board-General Manager Relationship

The Board will instruct the General Manager through written policies which prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the General Manager to use any reasonable interpretation of these policies.

Accordingly:

1. The Board will develop policies instructing the General Manager to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.

2. The Board will develop policies which limit the latitude the General Manager may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.

3. As long as the General Manager uses any reasonable interpretation of the Board’s Ends and Executive Limitations policies, the General Manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.

4. The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and General Manager domains. By doing so, the Board changes the latitude of choice given to the General Manager. But as long as any particular policy is in place, the Board will respect and support the General Manager’s choices. This does not prevent the Board from obtaining information from the General Manager about the delegated areas, except for confidential data.

February 2005
(Replaces: Feb. 2004)
Systematic and rigorous monitoring of General-Manager job performance will be solely against the only expected General Manager job outputs: organizational accomplishment of Ends and organizational operation within the boundaries established in Executive Limitations.

1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Only information which does this will be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past.

2. A given policy may be monitored in one or more of three ways:

2.1 Internal report: Disclosure of compliance information by the General Manager along with his or her explicit interpretation of Board policy, and justification for the reasonableness of interpretation in a manner that is sufficiently clear, unbiased, and representative to cause a Board majority to be confident that a reasonable interpretation of Board policy has been achieved. (See point 3 below.)

2.1.1 “Clear”, means that the data is not submerged in unnecessary incidental information or worded unclearly.

2.1.2 “Unbiased”, means that the integrity of the data must be demonstrable.

2.1.3 “Representative”, means that data is provided to monitor the complete criterion, not just a part of it or a single implication of it.
2.2 **External Report**: Discovery of compliance information by an impartial, external auditor, inspector, or judge who is selected by and reports directly to the Board. Such reports must assess executive performance only against policies of the Board, not those of the external party, unless the Board has previously indicated that party’s opinion to be the standard. The external party will first be provided with the General Manager’s explicit interpretation of the policy and justification for the reasonableness of interpretation. The report must assess the reasonableness of the interpretation of Board policy, and compliance with it.

2.3 **Direct Board Inspection**: Discovery of compliance information by a Board member, a committee or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a, “prudent person”, test of policy compliance, with access to the General Manager’s justification for the reasonableness of his/her interpretation. Such an inspection is only undertaken at the instruction of the Board, and with the General Manager’s knowledge.

3. In every case, the standard for compliance shall be any reasonable General Manager interpretation of the Board policy being monitored. Where interpretation is necessary, the monitoring reports provided by the General Manager will include a description of his/her interpretation of the policy. The Board is the final arbiter of reasonableness but will always judge with a, “reasonable person”, test rather than interpretations favoured by Board members or even the Board as a whole.

4. Upon the choice of the Board, any policy can be monitored by any of the above methods at any time. For regular monitoring, however, each *Edds* and *Executive Limitations* policy will be classified by the Board according to frequency and method.

5. A formal evaluation of the General Manager by the Board will occur annually at the Winter meeting, based on the achievement of the Board’s *Edds* policies and non-violation of its Executive Limitations policies. This formal evaluation will be conducted by cumulating the regular monitoring data provided during the year and the Board’s recorded acceptance or non-acceptance of the reports, and identifying performance trends evidenced by that data. (See next page, *Monitoring Compliance Report.*)
## (GM) MONITORING COMPLIANCE REPORT – SUMMER 2016 - WINTER 2017

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Page No.</th>
<th>Monitoring Method</th>
<th>Date Due</th>
<th>Received On Time</th>
<th>Interpretation (Yes or No)</th>
<th>Evidence (Yes or No)</th>
<th>Level of Compliance</th>
<th>Changes Requested</th>
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<tr>
<td>Mission E-1.2</td>
<td>1</td>
<td>Internal Report</td>
<td>Winter 2017</td>
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<td>Ownership of Member Agreement EL-11.2</td>
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<td>Winter 2017</td>
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Policy Last updated Winter 2018

BG-5.3
**General Manager’s Comments:**

__________________________________________________________________

__________________________________________________________________

__________________________________________________________________

**[1] Level of Compliance:**

Ratings for compliance are as follows:

1. Fully meets Board’s expectations and no changes are required.
2. Meets most of Board’s expectations but some minor changes are required as noted.
3. Does not meet Board’s expectations and major changes must be made as noted.

**[2] Changes Requested:**

Going forward it’s requested that for EL-2 Yearly Variance reports contains comments as opposed to the Quarterly variance reports and to have a more detailed evidence of the SWAT analysis that takes place during the year (strategic plan and Current Issues document).