

## **OPERATING GUIDELINES**

### **CLIMATE CHANGE AND EMISSIONS MANAGEMENT (CCEMC) CORPORATION**

**DATE OF APPROVAL:** JUNE 24, 2009

#### **A. BACKGROUND**

The Board meets regularly to set policy and direction for the Climate Change and Emissions Management (CCEMC) Corporation (“CCEMC”). Management oversees and carries out the day-to-day activities of CCEMC under the general direction and policy of the Board.

CCEMC has developed and maintained a corporate governance and accountability structure that fosters a high level of accountability, which includes periodic reviews of CCEMC’s governance and accountability framework.

CCEMC has developed terms of reference for the Board, which outline the responsibilities of the Board. These Operating Guidelines outline how the Board will carry out its duties to the CCEMC.

#### **B. BOARD OPERATING GUIDELINES**

##### **1. Board Packages**

- (a) At least one week prior to each meeting, the Board chair (“Chair”), in conjunction with CCEMC management (“Management”), sets the agenda for the Board meeting and Management assembles board packages, which are distributed to all directors at least one week in advance of the Board meeting.
- (b) The Board packages contain all current financial information and reports, reports from Board Committees and other relevant reports and materials.
- (c) The directors read all management reports and financial reports in advance of the meeting, and are prepared to ask questions on the reports at each meeting.

##### **2. Board Decisions**

- (a) The Board ensures minutes are kept which accurately and fully record Board decisions, and that the minutes of each Board meeting are reviewed and approved as accurate.
- (b) The Board, through its Chair or other officer of the Board, communicates Board decisions to Management and is responsible for ensuring that decisions recorded in the minutes are implemented.

- (c) Directors will strive for attendance at all Board and Board Committee meetings. Attendance of each director is recorded as part of the minutes.

### **3. Independence from Management**

- (a) The Board meets without Management at every regularly scheduled meeting.

### **4. Planning and Reporting**

- (a) In addition to regularly scheduled meetings, the Board meets annually for the purpose of strategic planning and setting short and long-term goals. As part of the strategic planning process, the Board examines and sets organizational goals and administrative goals for Management that are consistent with CCEMC's organizational goals. As part of its annual reporting process, the Board evaluates performance against the goals.
- (b) The Board approves a three year business plan and annual report, annually.
- (c) As part of its regular Board meetings, the Board monitors its performance against its business plan performance measures and budgets and directs corrective action, if necessary, prior to year end.

### **5. Management Succession**

- (a) CCEMC manages its day to day affairs through service providers on a contractual basis ("Service Providers"). The Service Providers form the Management of the CCEMC. Through ongoing discussion with the Chair, Management provides reports on current issues being dealt with by Management, possible future issues and next steps, and possible succession issues. To assist with succession, the Board requires all policies and procedures including administrative to be in writing and current versions of policies and procedures to be maintained in CCEMC's office.
- (b) At all times, more than member of Management is aware of the current policies and procedures and all documents or files are centrally maintained.

### **6. Orientation**

- (a) CCEMC has established and maintains an in-depth orientation program for new directors which includes: information on the role of the Board and each of its Committees; information specific to CCEMC's activities and the contribution individual directors are expected to make.
- (b) Each new director receives a binder with up-to-date information on CCEMC's corporate and organizational structure, governance documents and important policies and procedures.

- (c) Each new director will attend an orientation session detailing the values and strategy of CCEMC and reviewing its operations, internal structure and processes. In addition, regardless of which Committees a new director is on or will be appointed to, each new director will be invited to attend a full set of Committee meetings.

## **7. Continuing Education**

- (a) Presentations are made regularly to the Board and Committees to educate and keep them informed of changes within CCEMC and in legal, regulatory and other requirements.
- (b) Special presentations on operations and issues specific to each, designated as material, are provided to all directors as often as necessary.
- (c) Management reviews information on available external educational opportunities and ensures directors are aware of the opportunities. CCEMC pays fees and expenses for directors to attend relevant external education sessions.

## **8. Performance Evaluation**

- (a) Every director participates in the annual performance evaluation review procedure. The review consists of a questionnaire and an interview process. The responses to the questionnaire, which explores the performance of the Board as a whole as well as all Board Committees are submitted to an independent, third-party for analysis. A report is provided to the Chair of the Governance and Accountability Committee who then holds one-on-one interviews with the directors. The results of the questionnaire and the interviews are presented to the Board Chair and the Governance and Accountability Committee. The Governance and Accountability Committee then reports to the Board and recommends any changes or further actions to address issues that were identified.

## **9. Compensation**

- (a) CCEMC reviews the compensation of directors, the Chair and the Committee Chairs regularly. The Governance and Accountability Committee makes recommendations to the Board with respect to compensation of directors, the Chair and Committee Chairs.

## **10. Financial Oversight**

- (a) The Board receives current financial reports in advance of every Board meeting and at regular intervals between Board meetings by email or mail, if necessary.

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