

# BOARD OF GOVERNORS: COMMITTEE TERMS OF REFERENCE

Approved: November 30, 2023

Revised: July 19, 2024

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1. Definitions**

All capitalized terms in these Board of Governors: Committee Terms of Reference (“Terms of Reference”) that are not defined have the meaning given in the Bylaws or in the *Post-Secondary Learning Act* (Alberta) (the “Act”).

### **1.2. Interpretation**

- 1.2.1. The Board is the sole authority for the interpretation of these Terms of Reference and the decision of the Board on any question of interpretation, or upon any matters affecting Banff Centre and provided for by these Terms of Reference, shall be final and binding, subject to any conflict with the Bylaws and the *Act*. To the extent any part of these Terms of Reference are inconsistent with the Bylaws or the *Act*, the *Act* shall prevail, followed by the Bylaws.

## **2. ESTABLISHMENT OF COMMITTEES**

### **2.1. Establishment**

The effective conduct of Board business relies heavily on the work of Board committees established specifically to consider a broad range of matters related to the function of Banff Centre and to report on these to the Board, with recommendations as necessary and appropriate.

The Board has established the following standing committees with the mandate, role, responsibilities, delegated authority and composition as set out in these Terms of Reference:

- a) Audit and Risk Committee;
- b) Finance and Property Committee;
- c) Human Resources and Compensation Committee; and
- d) Governance and Nominating Committee.

## **3. PRINCIPLES FOR BOARD OF GOVERNORS STANDING COMMITTEE COMPOSITION**

### **3.1. Principles**

- a) Wherever possible, the committee composition will reflect a balance of Board Appointed Governors and Government Appointed Governors, with a commitment to diversity and a broad representation of Banff Centre’s stakeholders.
- b) All Governors are eligible to serve on Board standing committees except in those circumstances where a committee’s mandate requires independence of its members,

meaning that a Governor does not have a direct or indirect relationship arising from their status as a Governor that could, in the view of the Board, reasonably be expected to interfere with or influence the exercise of the Governor's independent judgment as outlined in the Code of Conduct, and/or where a Governor may have a conflict of interest.

- c) The Chair of a standing committee will be recommended by the Chair of the Board for approval by the Board.
- d) Wherever possible, members of the Board will serve on at least one standing committee.
- e) The Board may appoint Non-Governor Committee Members to a committee to provide a skill, experience or expertise required, or to otherwise enhance the diversity of the committee, assist with a specific project or initiative, or to support Board succession planning. Non-Governor Committee Members do not have a vote at committee meetings.
- f) Governors interested in observing a committee meeting may do so at any time.
- g) The President or committee may choose to engage Internal Resources to provide advice to a committee.
- h) Wherever possible, members' terms on a committee will be staggered to aide in transition of new members and continued good governance.

## **3.2. Reporting**

- 3.2.1. Each committee is expected to regularly report to the Board on its activities and decisions.

## **3.3. Process and Procedures**

- 3.3.1. Each committee functions consistent with the Bylaws; develops and follows an annual work plan addressing both strategic and routine issues; and annually reviews the terms of reference of the committee and recommends any required changes to the Governance and Nominating Committee (or, in the case of the Governance and Nominating Committee, to the Board).

## **4. AUDIT AND RISK COMMITTEE**

### **4.1. Mandate and Role of the Committee**

- 4.1.1. The Audit and Risk Committee assists the Board in fulfilling its governance responsibilities by providing strategic oversight, insight, and foresight on all auditing, financial reporting and internal control functions; health, safety, environmental stewardship, and security of Banff Centre community; and enterprise risk management.

## **4.2. Areas of Responsibility**

### **4.2.1. Audit**

- a) recommends to the Board the appointment of the External Auditor on an annual basis, and supervises a regularly scheduled tender process;
- b) confirms and assures the independence of the External Auditor (including its agent, if applicable), reviews the annual engagement letter for the External Auditor and approves the audit scope and plan, and any required changes.
- c) meets with the External Auditor, in camera, to discuss any matters that the Committee or the External Auditor believes should be discussed privately with the Committee.
- d) discusses audit findings and recommendations and confirms the appropriateness of the Leadership Team's responses.
- e) provides an open avenue of communication between the External Auditor, the Leadership Team and the Board.
- f) considers Banff Centre's financial department's compliance with applicable professional standards.

### **4.2.2. Financial Reporting**

- a) reviews, with the Leadership Team and the External Auditor:
  - i. Banff Centre's annual financial statements, including any relevant accounting or disclosure matters;
  - ii. the External Auditor's audit findings report and draft opinion on the financial statements;
  - iii. any significant changes in the External Auditor's audit plan, difficulties or disputes with the Leadership Team, or other matters about the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards; and
  - iv. recommends the annual financial statements to the Board for approval.
- b) reviews with the Leadership Team and the External Auditor the appropriateness of Banff Centre's current and proposed accounting and financial disclosure policies, principles and practices.
- c) reviews with the General Counsel and the External Auditors any legal claim, legal or regulatory matter, or other contingency that could have a material effect upon the

financial position or operating results of Banff Centre and the way these matters have been disclosed in the financial statements.

#### 4.2.3. Enterprise Risk Management

- a) oversees Banff Centre's enterprise risk management system on behalf of the Board. This includes:
  - i. keeping the Board apprised of significant changes in risk levels and of emerging risks and opportunities;
  - ii. guiding and coordinating consideration of risk by the Board and its committees;
  - iii. overseeing the enterprise risk management system and processes, including risk identification, monitoring, reporting and management; and
  - iv. organizing regular Board education about the enterprise risk management process and associated roles and responsibilities.
- b) reviews with the Leadership Team and the External Auditor, significant risks or exposures and assesses the adequacy of internal controls and mitigation strategies and measures. This includes reviewing reports from the Leadership Team assessing the adequacy of:
  - i. insurance coverage;
  - ii. disaster recovery and business continuity plans and processes;
  - iii. other policies and procedures in place to minimize and mitigate risks to asset value and mitigate damage to or deterioration of asset value; and
  - iv. processes and controls to prevent and detect fraud and financial irregularities, including procedures for safe disclosure of complaints and concerns regarding financial irregularities or other accounting or auditing matters.
- c) reviews reports, strategies, and plans regarding cybersecurity and risks related to Banff Centre's information technology systems.
- d) obtains reasonable assurance that financial risk is being effectively managed or controlled by reviewing with the Leadership Team:
  - i. Banff Centre's tolerance for financial risks;
  - ii. its assessment of the significant financial risks facing Banff Centre;

- iii. Banff Centre's policies and any proposed changes for managing those significant financial risks; and
- iv. its plans, processes and programs to manage and control such risks so as to ensure the protection of assets and investments from an enterprise perspective.
- e) reviews and approves authorized signing officers in respect of all banking and safekeeping.
- f) reviews regularly with Banff Centre's General Counsel any legal or privacy claims or issues that could have a material effect upon the reputation or operations of Banff Centre.
- g) reviews policies and reports on compliance that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion.
- h) annually reviews a report on the compliance of travel and hosting expenditures incurred by the Board Chair, the President, and the Vice-Presidents with pertinent policies.

#### 4.2.4. Health, Safety, Environmental Stewardship and Security

- a) monitors compliance with pertinent legislation, regulations and Banff Centre policies and procedures.
- b) reviews and provides advice and recommendations on:
  - i. reports on significant incidents, trends and outcomes at Banff Centre; and
  - ii. strategies and measures to support a culture that promotes occupational health, safety, environmental stewardship and security at Banff Centre.

### **4.3. Limitation on Delegation by the Board of Governors**

The general delegation of authority by the Board to the Committee is limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 4.2, the Board:

- a) approves the annual financial statement of Banff Centre;
- b) reviews and approves decisions with respect to information from the External Auditor on controls or related matters the Chair of the Committee or the Committee may consider prudent or necessary; and
- c) approves recommendations and considers information and reports on matters that

in the opinion of the Committee may pose significant risk to Banff Centre.

#### **4.4. Composition**

4.4.1. The Committee functions in accordance with the Principles for Board of Governors Standing Committee Composition. Members of this Committee require independence, as set-out in the Principles for Board of Governors Standing Committee Composition and the Bylaws.

- a) Members: Board Chair (ex-officio), by virtue of office; and no more than five Governors or Non-Governor Committee Members appointed by the Board.
- b) Internal Resources: President (ex-officio) by virtue of office; and the Leadership Team and Board Secretary, at the appointment of the President.
- c) External Resources: the External Auditor.

#### **4.5. Committee Power to Investigate**

4.5.1. The Committee has the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities and to retain independent counsel, accountants, or others to assist it in the conduct of any investigation, up to any maximum expense amount set by the Board.

### **5. FINANCE AND PROPERTY COMMITTEE**

#### **5.1. Mandate and Role of the Committee**

The Finance and Property Committee assists the Board in fulfilling its governance responsibilities by providing strategic oversight, insight and foresight on all significant financial and property matters of Banff Centre.

#### **5.2. Areas of Responsibility**

Without limiting the generality of the foregoing, the Committee:

##### **5.2.1. Control, Financial Reporting**

- a) reviews and monitors Banff Centre's operating budgets, financial results, and related risks on a quarterly basis and approves corrective actions, when required.
- b) reviews and monitors major capital project expenditures, and related risks, on a quarterly basis and approves corrective actions, when required.
- c) reviews and recommends to the Board the annual operating and capital budgets.
- d) monitors trends and key budget drivers affecting Banff Centre and identifies the

strategic implications of those trends for Banff Centre's future needs.

- e) reviews and recommends to the Board levels of spending authority, loans, and lines of credit.
- f) recommends for approval to the Board any contract where the value exceeds the level of spending authorized for the President.
- g) monitors debt management including the extent and methods of obtaining external borrowing for operating and capital expenditures and makes related recommendations to the Board, when required.
- h) reviews and recommends to the Board execution of borrowing resolutions, as required by the *Act*.
- i) reviews and approves quarterly reports from The Banff Centre Foundation regarding endowments held for the benefit of Banff Centre.
- j) reviews and approves quarterly reports from The Banff Canmore Foundation regarding endowments held for the benefit of Banff Centre.
- k) recommends to the Board annual distribution amounts from The Banff Centre Foundation and the Banff Canmore Foundation.
- l) reviews and recommends revisions to the Investment Policy Statement developed by The Banff Centre Foundation.

#### 5.2.2. Facilities, Property and Capital Expenditures

- a) reviews and recommends approval of the acquisition or disposition of real property, the acquisition or construction of new space, the major renovation of existing space, or the decommissioning or disposition of existing space.
- b) identifies and monitors trends relating to the Banff Centre's property and its deferred maintenance needs and assesses the strategic impact of such trends and changes on the Banff Centre.
- c) reviews and recommends the Banff Centre's long-range development plans and other master plans, including substantive amendments, for Banff Centre lands, and monitors individual project proposals for implications to the Banff Centre's long-range planning and strategic vision.
- d) identifies the impact of the long-range development plans and other master plans on the wider community and ensures collaboration occurs with different levels of government and stakeholders.
- e) provides guidance and recommendations to the Board regarding the Banff Centre's



current and future use of facilities, land, buildings and infrastructure.

- f) monitors the progress of capital projects.

### 5.2.3. Information Technology

- a) reviews reports, strategies and plans regarding physical infrastructure and resource optimization for Banff Centre's information technology systems.

### 5.2.4. Other Matters

- a) considers enterprise risk and opportunities associated with all items before the Committee and communicates those as needed to the Audit and Risk Committee.
- b) considers other matters at the request of the Board.

## 5.3. **Limitation on Delegation by the Board of Governors**

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 5.2, the Board approves:

- a) guiding principles for changes to approved budgets and for transfer or reallocation of monies included in approved budgets;
- b) the annual operating and capital budgets.
- c) the Investment Policy Statement;
- d) the acquisition or disposition of real property as determined by the Banff Centre's applicable policies;
- e) the capital plan and all capital expenditures exceeding the capital budget;
- f) the Banff Centre's long-range development plan and other master plans for Banff Centre's lands, including substantive amendments; and
- g) recommendations, and considers information and reports, on matters that in the opinion of the Committee may pose significant risk to the Banff Centre.

## 5.4. **Composition**

### 5.4.1. The Committee functions in accordance with the Principles for Board of Governors Standing Committee Composition.

- d) Members: Board Chair (ex-officio) and President (ex-officio), by virtue of their respective offices; and no more than five Governors or Non-Governor Committee Members appointed by the Board.

- e) Internal Resources: the Leadership Team and Board Secretary, at the appointment of the President.

## **6. GOVERNANCE AND NOMINATING COMMITTEE**

### **6.1. Mandate and Role of the Committee**

The Governance and Nominating Committee assists the Board in fulfilling its governance responsibilities by providing strategic oversight, insight, and foresight on the effectiveness, organization, and procedures of the Board, to enhance board governance performance.

### **6.2. Areas of Responsibility**

Without limiting the generality of the foregoing, the Committee:

#### **6.2.1. Oversight of Institutional Strategic Plan**

- a) supports Banff Centre in the development and ongoing monitoring of the institutional strategic plan, and reports on it to the Board, as necessary
- b) in collaboration with the President, considers opportunities for forward-looking institutional strategic discussions with the Board and its standing committees.

#### **6.2.2. Composition and Succession Planning**

- a) guided by principles of equity, diversity, and inclusion, identifies required competencies and personal attributes required on the Board and its committees to ensure effective succession in its membership and leadership positions, including oversight and maintenance of a skills matrix for the Board to fulfil its responsibilities.
- b) in consultation with committee chairs, reviews committee composition and membership, to ensure effective functioning, with consideration of committee skills matrices and the Principles for Board of Governors Standing Committee Composition and recommends any required changes to the Board.
- c) works with the Chair of the Board and the President to identify candidates as prospective Board members and committee members to fulfill the roles and responsibilities of the Board.
- d) develops and implements a systematic and open process for seeking nominations, screening applications, and making recommendations to the Board for Board Appointed Governors and Non-Governor Committee Members.
- e) develops and implements a process for the Board to routinely report to the Ministry of Advanced Education and the federal Ministry responsible for the *National Parks Act* (Canada) the upcoming end of terms of Government Appointed Governors and

the Parks Board Appointed Governors, respectively, and recommend any re-appointments, and, the skills, competencies, and experiences the Board requires based on the skills matrix for the Board to effectively fulfil its responsibilities.

#### 6.2.3. Orientation and Development

- a) facilitates opportunities for Board member orientation, mentorship, development, continuing education, and Board strategic planning to support a solid understanding of Banff Centre and good governance practices.
- b) oversees opportunities for Board member engagement with Banff Centre stakeholders and key sectors of the broader community.

#### 6.2.4. Board Self-Assessment and Governance Best-Practices

- a) oversees the Board self-evaluation process and report to the Board on any findings and outcomes.
- b) provides opportunities for individual Board member self-assessment of effectiveness and contributions to the Board.
- c) reviews the Board's committee structure and mandates to ensure committees remain relevant and effective, with a comprehensive review every three years.
- d) coordinates the mandates and Terms of Reference of all standing committees, and recommends changes to the Board
- e) monitors, reviews, and ensures Board compliance with the *Act* and any other governing legislation, the Bylaws, and Banff Centre policies.
- f) reviews and revises the Bylaws and the Code of Conduct for approval by the Board.
- g) in consultation with committee chairs, reviews Board processes and meeting effectiveness, ensuring items before the Board and its committees are addressed efficiently, appropriately, and in accordance with legislated standards and best practices.
- h) reviews the information needs and time commitment of Board members to ensure that information and meeting management systems and practices facilitate the most effective use of members' time.

#### 6.2.5. Other Matters

- a) considers enterprise risk and opportunities associated with all items before the Committee and communicates those as needed to the Audit and Risk Committee.
- b) considers other matters at the request of the Board.

### **6.3. Limitation on Delegation by the Board of Governors**

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 6.2, the Board approves:

- a) the institutional strategic plan;
- b) decisions arising from the Board self-evaluation process;
- c) the establishment or revisions of the Bylaws or Code of Conduct;
- d) the appointment of members to standing committees and other representative roles on behalf of the Board; and
- e) the mandates and terms of references of all committees.

### **6.4. Composition**

6.4.1. The Committee functions in accordance with the Principles for Board of Governors Standing Committee Composition.

- f) Members: Board Chair (ex-officio) and President (ex-officio), by virtue of their respective offices; and no more than five Governors or Non-Governor Committee Members appointed by the Board.
- g) Internal Resources: the Leadership Team and Board Secretary, at the appointment of the President.

## **7. HUMAN RESOURCES AND COMPENSATION COMMITTEE**

### **7.1. Mandate and Role of the Committee**

The Human Resources and Compensation Committee assists the Board in fulfilling its governance responsibilities by providing strategic oversight, insight, and foresight on Banff Centre human resources policies, procedures, and trends; collective bargaining and related service contracts; and senior employee selection, review, compensation, and succession planning.

### **7.2. Areas of Responsibility**

Without limiting the generality of the foregoing, the Committee:

#### **7.2.1. Employee and Labour Relations**

- a) considers and recommends to the Board changes in collective agreements, as well as the Terms of Employment Governing Management and Program, Supervisory,

Professional Employees.

- b) reviews and approves the mandates for collective bargaining.
- c) receives updates on collective bargaining and labour relations and provides feedback and advice to the President.

#### 7.2.2. Appointments and Reviews - President

- a) monitors Presidential effectiveness and, through the Committee Chair, provides advice to the Chair of the Board on the performance of the President.
- b) annually solicits, reviews and evaluates the comments of the members of the Board on the performance of the President and considers such other data, reports and information as the Committee considers useful.
- c) recommends the President's annual goals and objectives to the Board for approval.
- d) considers the President's succession plan.
- e) reviews and recommends to the Board the extension, reappointment and dismissal of the President.
- f) reviews and recommends to the Board changes to the President's position description.
- g) unless delegated to a special committee responsible for the presidential search:
  - a. establishes a search and review committee for the President and appoints Board members to that committee as established under the Banff Centre's applicable recruitment policies and associated procedures, for the appointment of a new President; and
  - b. reviews and approves the compensation and all contractual terms and conditions for the President, prior to the execution thereof or any public announcement.

#### 7.2.3. Reports, Advice, Trends

- a) considers trends affecting human resources policies of the Banff Centre.
- b) receives annual reports on the Banff Centre's pensions plan.
- c) approves the appointment of a Banff Centre representative to the Universities Academic Pension Plan (UAPP) Board of Trustees, pursuant to the UAPP Sponsorship and Trust Agreement.

- d) monitors trends in compensation and benefits for executives, senior administrators, faculty, staff and other employees.
- e) reviews regular reports on hiring, retention, and other employment-related matters and provides feedback to the Leadership Team.
- f) monitors the performance of the Banff Centre in the areas of responsibility of the Committee against key strategic performance indicators and reports on this to the Board.

#### 7.2.4. Policy and Other Matters

- a) considers enterprise risk and opportunities associated with all items before the Committee and communicates those as needed to the Audit and Risk Committee.
- b) considers other matters at the request of the Board.

### 7.3. **Limitation on Delegation by the Board of Governors**

The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee as set out in paragraph 7.2, the Board approves:

- a) the appointment, extension, reappointment and dismissal of the President.
- b) changes to the President's position descriptions.
- c) goals and objectives for the President.
- d) collective agreements and substantial revisions thereof.
- e) recommendations and considers information and reports on matters that in the opinion of the Committee may pose significant risk to Banff Centre.

### 7.4. **Composition**

7.4.1. The Committee functions in accordance with the Principles for Board of Governors Standing Committee Composition. Members of this Committee require independence, as set-out in the Principles for Board of Governors Standing Committee Composition and the Bylaws.

- h) **Members:** Board Chair (ex-officio) and President (ex-officio), by virtue of their respective offices; and no more than five Governors or Non-Governor Committee Members appointed by the Board.
- i) **Internal Resources:** the Leadership Team and Board Secretary, at the appointment of the President.