



Saskatchewan
Workers'
Compensation
Board

Governance Policy

Effective Date	January 1, 2022 Effective upon proclamation of section 4 of Bill 165, <i>The Workers' Compensation Amendment Act, 2018</i> .
Document History	<ol style="list-style-type: none">(1) June 1, 2023. Updated reference to Manager of Corporate Policy and Legislative Inquiries to Assistant Director of Legal and Policy.(2) December 9, 2021. Updated to establish the Executive Committee.(3) September 16, 2021. Governance Policy and Protocols reviewed in light of section 4 of Bill 165, an amendment to <i>The Workers' Compensation Act, 2013</i>, to change the composition of the Board to include three full-time members and up to four part-time members (from five full-time members).(4) POL 06/2021, Governance Policy (effective June 1, 2021 to December 31, 2021).(5) June 1, 2021. Updated to establish the Transformation Oversight Committee to provide governance over the Business Transformation Program and remove references to the WCB staff Defined Benefit Pension Plan that concluded in 2020.(6) POL 01/2021. Governance Policy (effective January 1, 2020 to May 31, 2021).(7) February 3, 2021. In 2019, the Board reviewed and agreed upon changes to the Governance Policy and Protocols. However, during the 2020/2021 governance review process, it was determined that formal approval of those amendments had not been documented. As the Board's actions throughout 2020 had been governed by the 2019 Governance Policy as amended, a Special Meeting of the Board was held to finalize that approval effective January 1, 2020.(8) September 2019. Governance Policy and Protocols reviewed.(9) POL 01/2017, Governance Policy (effective June 24, 2017 to December 31, 2019).(10) POL 09/2014, Governance Policy (effective June 24, 2014 to January 16, 2017).(11) ADM POL 13/2000, Corporate Governance (effective January 1, 2001 to June 23, 2014).(12) ADM POL 04/2001, Mandate of the Audit Committee of the Board (effective June 4, 2001 to June 23, 2014).

Governance Policy – Contents

Part I – Governance Guidelines	4
1. <i>Public Policy Context</i>	4
2. <i>The Meredith Principles</i>	4
3. <i>WCB Structure</i>	5
4. <i>Governance Framework</i>	6
5. <i>Key Governance Premises</i>	7
6. <i>Governance Documentary Framework</i>	8
7. <i>Annual Governance Evaluation</i>	8
8. <i>Interpretation</i>	9
Part II – Board Member Code of Conduct.....	10
1. <i>Code Purpose</i>	10
2. <i>Application</i>	10
3. <i>Principles</i>	10
4. <i>Fiduciary Duties</i>	11
5. <i>Disclosure</i>	13
6. <i>Duty of Care</i>	13
7. <i>Duty of Diligence</i>	14
8. <i>Participation in meetings</i>	14
9. <i>Additional Ethical Guidelines</i>	14
10. <i>Collegial Responsibilities</i>	15
11. <i>Breach of Code</i>	15
12. <i>Implementation</i>	15
13. <i>Post-Appointment Conduct</i>	16
14. <i>Where to Seek Clarification</i>	16
Part III – Chairperson Terms of Reference	17
1. <i>Main Responsibilities</i>	17
2. <i>Chairperson Specific Accountabilities</i>	17
Part IV – Board Member Terms of Reference.....	20
1. <i>Main Responsibilities</i>	20
2. <i>Board Member Specific Accountabilities</i>	21
Part V – Chief Executive Officer Terms of Reference	25
1. <i>Main Responsibilities</i>	25
2. <i>Specific Accountabilities</i>	25
3. <i>General</i>	27
Part VI – Committees	29
1. <i>Role</i>	29
2. <i>Committee Membership</i>	29

Part VII – Executive Committee	30
1. <i>Mandate</i>	30
2. <i>Executive Committee Composition and Process</i>	30
3. <i>Executive Committee Responsibilities and Duties</i>	31
Part VIII – Investment Committee	32
1. <i>Mandate</i>	32
2. <i>Investment Committee Composition and Process</i>	32
3. <i>Investment Committee Responsibilities and Duties</i>	33
Part IX – Audit Committee	35
1. <i>Mandate</i>	35
2. <i>Audit Committee Composition and Process</i>	35
3. <i>Audit Committee Responsibilities and Duties</i>	36
Part X – Transformation Oversight Committee	39
1. <i>Mandate</i>	39
2. <i>Transformation Oversight Committee Composition and Process</i>	39
3. <i>Transformation Oversight Committee Responsibilities and Duties</i>	40

Part I – Governance Guidelines

1. Public Policy Context

- 1.1. The Saskatchewan workers' compensation system provides a statutory no-fault framework administered by an independent agency, the Workers' Compensation Board ("WCB"), to ensure fair compensation for injured Saskatchewan workers without the need for employers and employees to participate in lengthy and costly judicial proceedings. Its successful operation contributes to the functioning and growth of Saskatchewan's economy.
- 1.2. These guidelines describe the WCB's public policy objectives and the governance framework which has been adopted to achieve them.

2. The Meredith Principles

- 2.1. The statutory framework of the Saskatchewan WCB, like its counterparts in other Canadian jurisdictions, has its policy rationale in the principles identified by Mr. Justice Meredith in a report prepared in 1913. The Board of the WCB believes that those principles, known as the Meredith Principles, continue to reflect best practice. The Meredith Principles are:
 - 2.1.1. No-fault compensation: Workplace injuries are compensated regardless of fault. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury. Fault becomes irrelevant and providing compensation becomes the focus.
 - 2.1.2. Collective liability: The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.
 - 2.1.3. Security of payment: A fund is established to guarantee that compensation monies will be available. Injured workers are assured of prompt compensation and future benefits.
 - 2.1.4. Exclusive jurisdiction: All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims. Nor is the board bound by legal precedent; it has the power and authority to judge each case on its individual merits.
 - 2.1.5. Independent board: The governing board is both autonomous and non-political. The board is financially independent of government or any special interest group. The administration of the system is focused on the needs of

its employer and labour customers, providing service with efficiency and impartiality.

3. WCB Structure

- 3.1. The WCB is constituted by *The Workers' Compensation Act, 2013* (the "Act") which describes the basic elements of the WCB governance framework and details of the workers' compensation system.
- 3.2. The Act provides that the Board of the WCB is to consist of a maximum of seven Board Members (Members), including:
 - 3.2.1. A full-time Chairperson.
 - 3.2.2. Two full-time Members, one representing employers and one representing workers.
 - 3.2.3. Up to four part-time Members, half representing employers and half representing workers.
- 3.3. The Chairperson and other Members are appointed by the Lieutenant Governor in Council. Employer and worker representatives are appointed, on the recommendation of a Minister of the Government of Saskatchewan responsible for the WCB, from a list of names submitted by employer associations and labour organizations.
 - 3.3.1. The Chairperson shall be appointed for a term not to exceed five years and is eligible for reappointment after consultation with the employer associations and labour organizations.
 - 3.3.2. A Member shall be appointed for a term not to exceed four years and is eligible for reappointment after consultation with the employer associations and labour organizations.
 - 3.3.3. A Member may resign their position on the Board by submitting a letter of resignation to the Minister responsible for the WCB.
- 3.4. The Act directs that the Members are responsible for the following:
 - 3.4.1. Full-time Members are responsible for hearing and deciding appeals to the Board pursuant to the Act and for the governance and proper administration of matters governed by the Act.
 - 3.4.2. Part-time Members are responsible for the governance and proper administration of matter governed by the Act.

- 3.5. The Act also provides that the Board is to appoint a Chief Executive Officer (CEO) who is to be the WCB's Chief Administrative Officer. The CEO, together with the WCB staff, are responsible for the WCB's operations and administration.
- 3.6. The Act provides a detailed framework for the making of policy, claims adjudication, investment management and the other activities of the WCB.
- 3.7. A Minister of the Government of Saskatchewan is assigned responsibility for the administration of the Act. The Act provides that the WCB shall report annually to the Minister in accordance with the regulations.
- 3.8. The Act also mandates the Lieutenant Governor in Council, to appoint a committee of review consisting of at least five persons to review and report on matters concerning the Act, the regulations and the administration of the Act. A committee of review will be appointed within five years of receipt of the previous committee of review's report. This provides an opportunity for regular informed comment on the operations of the WCB so that, where needed, changes may be made.

4. Governance Framework

- 4.1. The Board believes that a strong governance framework is necessary to ensure that it fulfills its responsibilities to workers and employers in the most effective manner. As a result, the Board is committed to ensuring that its governance structures and activities reflect sound governance principles.
- 4.2. The WCB governance structure and practices recognize that effective governance requires clear role identification and effective working relationships between the Board Members, on the one hand, and the CEO and the WCB management on the other. Optimal governance and Board performance can be achieved by ensuring that each of those two groups is organized to perform its role and that, taken together, the conduct of the Board Members and management achieves WCB's policy objectives in the most effective manner possible.
- 4.3. The Board Members fulfill their responsibilities directly and also through Committees established for effective management, governance and accountability.
- 4.4. The Board and its Committees are focused on the continuous improvement of its governance practices. To that end the Board and each Committee regularly reviews its governance practices to be sure that they continue to meet statutory obligations, stakeholder expectations and evolving governance standards.
- 4.5. To better assure sound governance and continuous improvement, the Board is committed to a disciplined program of business and governance education for its

Members. A comprehensive governance orientation program is provided to all new Members of the Board and all Members are encouraged to regularly participate in programs focusing on sound governance and relevant emerging issues.

5. Key Governance Premises

Certain key premises underlie the Board's approach to governance. Specifically:

- 5.1. The governance oversight responsibilities of the Board Members include approval, review and monitoring responsibilities in respect of Board strategies and policies; succession planning and talent management; compliance, financial integrity and audit matters; the prudent investment of the Fund constituted by the Act; and the efficient administration of the WCB so as to assure sound value for monies expended.
- 5.2. The appeals and adjudicative functions are central to the work of the full-time Members of the Board in applying the Meredith Principles.
 - 5.2.1. These Members, in hearing appeals by workers or employers from decisions of Board staff and in other adjudicative functions, must function as required by the Act, the regulations and other applicable law.
 - 5.2.2. Among other things, the full-time Members are to act in a fair and reasonable manner without bias or perception of bias and are to endeavour to ensure that all participants have a fair hearing with timely decision making. While the Board is not bound by legal precedent, the full-time Members endeavour to achieve consistency in the interpretation of its policies as it applies them in appeal adjudication.
- 5.3. High standards of personal and ethical conduct are expected from the WCB Board Members, officers and employees. These standards are described in detail in codes of conduct, including a Code of Conduct designed specifically for Members of the Board. Among other matters, that Code describes fiduciary responsibilities and an obligation of diligence.
- 5.4. The representational nature of the appointment of employer and worker Board Members is an important part of the Board's structure. Notwithstanding that certain Board Members may be appointed as representatives of workers or employers, all Board Members have a duty of loyalty to the WCB and are expected to act in the best interest of the WCB (recognizing its statutory accountabilities) and not in the interest of any individual employer or worker or any stakeholder group. Board Members appointed as representatives of workers or employers maintain an open channel of communication with their respective stakeholder groups to enhance the

- credibility of the WCB and its work by (a) providing factual information to stakeholder groups in respect of the WCB's policies and activities, (b) receiving the views of stakeholder groups in respect of the WCB's policies and activities, including by attending stakeholder events, and (c) making the concerns of the stakeholders known to the WCB management through the CEO and other Board Members.
- 5.5. The Board Chairperson is not a representative of any stakeholder interest. The Chairperson has a central role in ensuring sound governance at the WCB. Like other Board Members, the Chairperson has the responsibilities described in the Board Member Terms of Reference, and also has the additional duties set forth in the Chairperson Terms of Reference. Among other things, the Chairperson is responsible to speak on behalf of the Board to the Minister and other government officials such as the Office of the Information and Privacy Commissioner and the Provincial Ombudsman.
- 5.6. It is recognized that good governance requires all Board Members to refrain from assuming a management role in matters which are within the responsibility of the CEO and the WCB management. Good governance also requires the CEO and senior management to respond effectively to the information and other requirements of Board Members as they perform their governance oversight and other responsibilities.

6. Governance Documentary Framework

- 6.1. In order to provide clarity of role responsibilities, an extensive documentary governance framework has been developed. That framework includes (a) Charters for each Board Committee, setting forth the purpose, composition, processes and duties and responsibilities of the Committee, (b) Terms of Reference for Board Members, the Chairperson and the CEO, and (c) a Board Member Code of Conduct.
- 6.2. The documentary framework is designed to provide ongoing guidance as to the respective roles of each of the governance actors and the processes to be employed. It is recognized that behavioral dynamics, including candid and respectful relationships among the participants, will also be essential for optimal results. To that end, there will be ongoing consultation among the Board Members and the CEO on governance issues.

7. Annual Governance Evaluation

- 7.1. The Board recognizes that changing circumstances may, from time to time, require changes in the governance framework, documentation and processes. There will be an annual governance evaluation process to assess the effectiveness of Board

governance and in which input for potential governance improvement will be sought from the Members, the CEO and others, as identified from time to time. The objective of those evaluations will be to ensure that the governance framework and processes remain robust and that improvements, where identified, are made in a timely fashion.

8. Interpretation

- 8.1. In these Guidelines and in the other governance documents of the WCB, the term "Board" refers to the Members of the WCB, acting collectively. The term "board", in Section 20 of the Act, is to be interpreted as referring to:
- 8.1.1. Full-time Members of the Board only, when the question to be determined arises in the hearing and/or deciding of an appeal.
 - 8.1.2. Both full and part-time Members when the question to be determined relates to the governance of the Workers' Compensation Board.
- 8.2. "Member" refers to both full-time Board Members and part-time Board Members. Full-time Member refers to only those Members responsible for hearing and deciding appeals pursuant to Section 9(5) of the Act.
- 8.3. These Guidelines and all other documents approved by the Board in relation to its governance are intended to further elaborate the structure, principles, practices and processes used by the Board to achieve sound governance. Nothing in them shall derogate from the responsibility of the Board to adhere to the Act, the regulations and applicable law, and these Guidelines and all other governance documents shall be interpreted in that light.

Part II – Board Member Code of Conduct

1. Code Purpose

- 1.1. The Code of Conduct establishes rules of conduct within which Workers' Compensation Board ("WCB") Members appointed pursuant to *The Workers' Compensation Act, 2013* (the "Act") are to operate in carrying out their duties for the WCB. The Code recognizes that it is the responsibility of each Member not only to comply with the law, but to go beyond that threshold to create and maintain a culture of integrity, confidence and trust throughout the WCB.

2. Application

- 2.1. These rules are applicable to all Board Members (Members), including the Chairperson, and cover all areas of Board responsibility including but not limited to appeal and adjudicative functions, organizational and governance responsibilities (including those relating to Member service on Board Committees and as a representative of the WCB in other organizations or ventures), and responsibilities to other Members.
- 2.2. The Code governs the conduct of a Member from his or her date of appointment and includes some responsibilities that continue after completion of the Member's term.
- 2.3. The provisions of this Code do not derogate from the responsibility of the full-time Members, in the conduct of their appeal and adjudicative functions, to adhere to the requirements of the Act and other applicable laws and regulations. If any such requirement differs from the responsibility of Members under this Code, such requirement shall be observed.
- 2.4. The Code may be amended from time to time to reflect changing roles, responsibilities and experiences of the Members and the organization.

3. Principles

Members will carry out their roles and responsibilities in accordance with the following principles:

- 3.1. Members must carry out their roles and responsibilities in a manner that enhances stakeholder and public confidence and trust in the WCB. Members will act at all times with integrity and in a manner that withstands the closest public scrutiny. Members will be honest and trustworthy in their dealings with the WCB, its staff and stakeholders, and other Members of the Board.

- 3.2. Members will encourage and respect individual diversity and the expertise of each Member.
- 3.3. Members will make decisions which each believes will be in the best interest of the WCB.
- 3.4. Members must be familiar with legislation, policies and procedures that apply to their work, and the work of the WCB, in order to effectively carry out their governance and administrative tribunal responsibilities. Each must stay informed about changing practices and trends related to his or her roles. Members will strengthen that understanding through continuing education and development. The Board will regularly review and update the orientation manuals for newly appointed Members and the Chairperson, and will direct the development of orientation programs that will support them in the effective performance of their duties.
- 3.5. Members should strive to continuously improve the Board's processes and performance. Members will conduct regular self-evaluations and Board evaluations and develop strategies to improve Board and individual Member performance.

4. Fiduciary Duties

- 4.1. Duty of Loyalty: Members will act honestly and in good faith, with a view to the best interests of the WCB, bearing in mind the public policy rationale and objectives of the WCB.
- 4.2. Corporate Opportunities: A Member shall not take personal advantage of, or divert to his or her own benefit, any commercial opportunities learned about in the course of carrying out any duties as a Member. A Member must not engage, directly or indirectly, in any financial transactions, contracts or private arrangements for personal profit, which accrue from, or are based upon the Member's fiduciary position or authority, or upon confidential or non-public information that the Member gained by reason of such position or authority. A Member must not use or allow the use of the WCB property or services for personal gain.
- 4.3. Duty to Protect Confidential Information: Members will not divulge confidential WCB information to third parties or persons who would not, in the normal course of events, be privy to such information.
- 4.4. Duty to Avoid Conflict of Interest: A conflict of interest shall be any situation in which a Member's ability to act in the best interest of the WCB is compromised or potentially compromised by personal, business or other interests. A conflict of interest may be real or perceived, and may exist whether or not pecuniary advantage or other valuable benefit has been, or may be derived by the Member or an

associate of the Member (for the purposes of this Code an "associate" of a Member is any related person or any organization in which the Member or any related person holds an interest or an official position):

4.4.1. Definitions:

- i. A "real conflict of interest" occurs when a Member or an associate of a Member has, or the Member has knowledge of, a private interest or relationship that is sufficient to influence the exercise of his or her duties and responsibilities as a Member of the Board of WCB.
- ii. A "perceived conflict of interest" exists when a reasonable person could properly apprehend that a real conflict of interest may exist on the part of a Member or associate of a Member.

4.4.2. Principles:

- i. It is not sufficient for a Member to act within the law. Members have an obligation to act in a manner that will bear the closest public scrutiny.
- ii. Upon appointment to the Board, each Member will arrange his or her private affairs in a manner that will prevent real or perceived conflicts of interest from arising.
- iii. A Member shall disclose in the manner required by this Code any real or perceived conflicts of interest (or any potential real or perceived conflict of interest) immediately upon becoming aware of the issue, and shall resolve the conflict in favour of his or her duties and responsibilities as a Member.
- iv. A Member who is appointed as representative of workers or employers will not be in a conflict of interest merely for bringing perspective interests or concerns of his or her respective constituency forward for consideration by the Board, but each Member's actions must, at all times, be consistent with the best interests and objectives of the WCB as a whole.

4.4.3. Examples of Conflict of Interest:

A conflict of interest exists when a Member or an associate of the Member:

- Holds a direct or indirect interest in a corporation or other business entity that is involved in a business relationship with the WCB.
- Stands to benefit directly or indirectly as a result of a policy or program change of the WCB.

- Directly or indirectly takes advantage of a WCB policy, program or contractual initiative in a manner in which the general public is not able to similarly participate; or
- Allows a person in a non-arm's length relationship with a Member or an associate of a Member to benefit as a direct result of the relationship with that Member.

The above list is not exhaustive of all conflicts of interest, and Members are encouraged to consult with the Director of Governance and Board Services should they require further direction respecting the existence of, or potential for, a real or perceived conflict of interest.

5. Disclosure

- 5.1. When a Member other than the Chairperson considers that he or she has a real or perceived conflict of interest, or that there may be a potential for a real or perceived conflict of interest, with respect to a particular issue, that Member will, immediately upon becoming aware of the issue, declare the conflict to the Chairperson, and provide the Chairperson with all relevant information. If the Chairperson is the Member with the conflict of interest issue, the Chairperson will, immediately upon becoming aware of the issue, declare the conflict to the other Members and provide them with the relevant information.
- 5.2. A Member who identifies a real or perceived conflict of interest, or the potential for a real or perceived conflict of interest, on the part of another Member will bring his or her concerns to the attention of the Chairperson and request that the conflict be declared.
- 5.3. The remaining Members will determine whether a conflict of interest exists and, if so, the steps to be taken to resolve the conflict. In the event that those remaining Members cannot reach consensus, the matter will be referred for determination to the Director of Governance and Board Services or to outside legal counsel, as the remaining Members may direct. The Member who is the subject of the conflict concern will absent himself or herself during the discussion and decision, and will not attempt to influence the discussion or decision in any way.

6. Duty of Care

- 6.1. A Member must exercise the care, diligence and skill in the performance of his or her duties as a Member that a reasonably prudent person would exercise in comparable circumstances.

7. Duty of Diligence

- 7.1. Full-time Members are appointed to carry out their dual governance and appeal and adjudicative responsibilities. Part-time Members are appointed to carry out their governance duties.
- 7.2. Members will commit the time and effort required to effectively perform all of their duties, to maintain the high level of competence and knowledge required to discharge those duties, and to ensure that the work of the Board can be done in a timely and efficient manner. Members will demonstrate a commitment to carry out the business of the Board in a conscientious manner that is consistent with the best interest of the WCB. Each will demonstrate a disciplined approach with respect to such matters as attendance, punctuality, norms of good conduct, adequate preparation and engaged participation, in all duties of the Member.
- 7.3. A Member shall advise the Board at the first available opportunity if the Member, for any reason including failure to meet attendance requirements, no longer meets the requirements for membership to the Board under the Act, the Regulations or the Governance Policy.

8. Participation in meetings

- 8.1. Members will attend meetings regularly and be adequately prepared to participate meaningfully in discussions. If a Member is absent from three or more consecutive meetings of the Board without express authorization of the Chair, this may result in a recommendation being made by the Chair to the Minister for the removal of that Member from the Board.

9. Additional Ethical Guidelines

- 9.1. In fulfilling their duties and obligations, Members should adhere to the following guidelines:
- 9.2. Members may act in their official role to assist organizations or persons in their dealings with the WCB by referring the organization or person to the CEO.
- 9.3. A Member must not use corporate property or services to pursue his or her private interests, or the interests of an associate. Corporate property includes real and tangible items such as land, buildings, furniture, fixtures, equipment and vehicles and intangible items such as data, computer systems, reports, information, corporate opportunities, proprietary rights, patents, trademarks, copyrights, logos, names and reputation.

- 9.4. Members must not solicit or accept benefits, entertainment or gifts in exchange for, or as a condition of, the exercise of their duties, or as an inducement for performing an act associated with the Members' duties or responsibilities with the WCB.
- 9.5. A representative Member is encouraged to avail himself or herself of opportunities to maintain awareness of his or her constituency's views and concerns and to communicate relevant views or concerns to the Board. Representative Members may acquire and retain Memberships in any organization devoted to the interests of workers or employers, generally, and may attend public functions of such organizations. However, high-profile roles such as those involving executive responsibility or political activity shall be declined.

10. Collegial Responsibilities

- 10.1. The conduct and language of Members, in the workplace and in public, must meet acceptable social standards and must contribute to a positive work environment. A Member's conduct must not compromise the integrity of the WCB.

11. Breach of Code

- 11.1. Breach of the Code of Conduct may result in disciplinary action. This may include, but is not limited to, written reprimand or temporary suspension of duties.
- 11.2. Whether or not a breach has occurred will be determined by the Members not in breach. Sanctions may include a recommendation for dismissal to the Minister responsible for the WCB.

12. Implementation

- 12.1. Each Member must adhere to the standards described in this Code of Conduct and to the standards set out in all applicable policies, guidelines or legislation.
- 12.2. Integrity, honesty and trust are essential elements of the WCB's success. Any Member who identifies a possible breach of this Code of Conduct has a responsibility to report it to the Chairperson, or in the case of such conduct by the Chairperson, to report it to the other Members of the Board.
- 12.3. Conforming to this Code will not absolve the Member of the responsibility to take such additional action as might be necessary to prevent a real or perceived conflict of interest.

- 12.4. Annually, the Board will review this Code of Conduct to confirm its adequacy, and each Member shall sign an acknowledgement and agreement that he or she has read and will comply with the terms of the Code.

13. Post-Appointment Conduct

- 13.1. After a Member ceases to serve on the Board, the Member must continue to observe the duty to protect confidential WCB information, unless the Member has received written authorization from the Board to disclose the information.
- 13.2. A Member who has left the Board shall not take improper advantage of his or her previous Membership on the Board. To that end, former Members must not use confidential WCB information or opportunities acquired as a result of their Membership on the Board for personal gain. In addition, no former Member shall, during the one-year period commencing on the date on which the Member ceases to be a Member of the Board, (a) make any representation to the Board, or to any Member or any employee of the WCB, or (b) be a party to or entitled to any benefit under a contract awarded by the WCB.

14. Where to Seek Clarification

- 14.1. The Chairperson or the Director of Governance and Board Services will provide guidance on any matter dealt with in this Code of Conduct. The Chairperson may, at his or her discretion, and will at the request of a Member seek the advice of outside counsel on any matters related to this Code, on which clarification or advice may be required.

Part III – Chairperson Terms of Reference

1. Main Responsibilities

- 1.1. The Chairperson of the Board is expected to lead governance of the Workers' Compensation Board ("WCB") (a) by fostering effective oversight of the affairs of the WCB so the Board is properly organized and functions effectively, and so that the Board Members fulfill their obligations and responsibilities, and (b) by setting the "tone" for the Board and its Members so as to foster ethical and responsible decision making and behaviour, appropriate oversight of management and adherence to good governance practices.

2. Chairperson Specific Accountabilities

In order to fulfill those responsibilities, in addition to the responsibilities set forth in the Board Member Terms of Reference, the Chairperson shall:

- 2.1. Chair all committee meetings and be a voting member.
- 2.2. Call and preside at meetings of the Board at least quarterly and approve draft meeting minutes for submission to the Board.
- 2.3. Annually recommend to the other Members of the Board, the members for appointment to each committee, based upon skill sets, expressions of interest and input from other committee members. The Board will formally approve the appointments to each committee.
- 2.4. In consultation with the other Members of the Board, work with the CEO to plan the annual calendar for Board meetings and Board meeting agendas so that they provide an effective framework for the Board to fulfill its stewardship responsibilities.
- 2.5. Coordinate with the CEO so that matters to be considered at Board meetings are presented in a manner which provides relevant information to Board Members in a timely and effective fashion, and so that there is appropriate opportunity for discussion.
- 2.6. Act as a liaison between the Members of the Board and the CEO so that (a) the boundaries between the Board Member and management responsibilities are well understood and respected, (b) management understands the role and accountabilities of Board Members and their obligation to monitor operations performance by questioning and discussions, (c) relationships between the Board Members and management are conducted in a professional and constructive manner, and (d) any concerns or issues raised by Board Members or the CEO in

- respect of governance or the affairs of the Board are addressed promptly and effectively.
- 2.7. Interact with the CEO on governance, performance and other issues, provide feedback to the CEO and act as a sounding board with respect to ongoing accountability, relationships and other issues.
 - 2.8. Leads governance, so that (a) the Board fulfills its stewardship responsibilities of the governance of the Board as stipulated in the Act and in Charters, Terms of Reference, policies, guidelines and protocols established by the Board, and (b) the WCB's governance structures and processes continue to reflect relevant emerging good governance practices.
 - 2.9. Oversee compliance by the Members of the Board with the Board Member Code of Conduct.
 - 2.10. Coordinate the communication activities of the Board, including in particular by (a) playing an ambassadorial role (including planning and participating in outreach activities) so that the mission and work of the Board are well understood by the Saskatchewan public, (b) in consultation with the other Members of the Board and the CEO, engaging in discussions with employer and labour organizations, and (c) ensuring that communications of the Chairperson, Board Members and management are consistent and are designed to enhance the public reputation of the WCB.
 - 2.11. Lead the annual Board self-assessment of its effectiveness and governance practices.
 - 2.12. Together with the CEO, represent the WCB in respect of its participation in WorkSafe Saskatchewan and other joint programs designed to foster injury prevention and workplace safety, and work with the CEO to ensure that appropriate information is provided to the Board in respect of WorkSafe Saskatchewan and such other programs.
 - 2.13. Meet any other statutory obligations inherent in the holding of the position of Chairperson, including by serving as the designated officer to receive and manage disclosure from the WCB employees in accordance with the Public Interest Disclosures Act and privacy legislation.
 - 2.14. Maintain oversight in respect of expense accounts of the CEO.
 - 2.15. Act as the liaison between the Board and the Government of Saskatchewan, through the Minister responsible for the administration of *The Workers' Compensation Act*,

2013, on matters relating to its legislative authority, policies, practices and operations.

- 2.16. Review and respond to inquiries for notices of intention to investigate by the Provincial Ombudsman and the Office of the Information and Privacy Commissioner, and advise the CEO.

Part IV – Board Member Terms of Reference

1. Main Responsibilities

- 1.1. The Members of the WCB have a responsibility under *The Workers' Compensation Act, 2013* (the "Act") to carry out their duties in a manner consistent with the intent and objectives of the Act. The Members fulfill this role through:
 - 1.1.1. Strategic leadership of the WCB to ensure the delivery of high quality services to workers and employers, and the protection of the public interest.
 - 1.1.2. Effective stewardship of the resources of the WCB, including oversight of the Fund continued by the Act.
 - 1.1.3. Effective oversight of the WCB and its financial and operational performance.
 - 1.1.4. Approval of policies through which the objectives of the Act can be accomplished.
 - 1.1.5. Oversight of enterprise risk management.
 - 1.1.6. Effective engagement with stakeholders.
 - 1.1.7. Demonstrated willingness to hold senior management and themselves accountable for acting both privately and publicly in a manner that is consistent with the Meredith Principles, and WCB's Vision, Mission and Values Statements.
 - 1.1.8. The full-time Members also fulfill their responsibilities through performance of their appeal and adjudicative functions, in accordance with the Act, the regulations, other applicable laws, and the rules of natural justice.
- 1.2. The Members fulfill their responsibilities through their work as Members of the WCB's Board and its committees.
- 1.3. For clarity, the responsibilities of Members described in these terms of reference apply to all Members of the WCB, including the Chairperson of the Board. The responsibilities of the full-time Members described in these terms of reference apply to those Members having an appeal and adjudicative function in accordance with the Act.
- 1.4. In these terms of reference, a distinction is made between those matters in respect of which the approval of the Board Members is required and those in which the Board Members are to provide ongoing oversight but without a mandatory approval responsibility. Where the Specific Accountabilities set forth below specify that Board Members are to "review and advise" the CEO, it is intended that the decision-making

authority regarding process rests with the CEO, but that the Board Members will perform their oversight responsibilities.

2. Board Member Specific Accountabilities

In order to fulfill those responsibilities, the Board Members shall:

2.1. Governance Responsibilities

- 2.1.1. Approve Governance Guidelines.
- 2.1.2. Approve Terms of Reference for the Board Members, Board Chairperson and CEO.
- 2.1.3. Approve Charters for the Executive Committee, Audit Committee, the Investment Committee and the Transformation Oversight Committee.
- 2.1.4. Approve, and review annually, a Board Member Code of Conduct.
- 2.1.5. Review and advise the CEO on the organizational Code of Conduct.
- 2.1.6. Review and advise the CEO with respect to the culture of the WCB and satisfy itself as to organizational integrity, including the "tone at the top".
- 2.1.7. Review any report of the Provincial Ombudsman in respect of complaints relating to WCB.
- 2.1.8. Review reports from the Fair Practices Officer.
- 2.1.9. Fulfill responsibilities outlined in committee charters and the Board Member Terms of Reference.
- 2.1.10. Maintain an awareness of emerging best governance practices for adoption by the Board.
- 2.1.11. Participate in ongoing governance education.
- 2.1.12. Develop, and review annually, an orientation program for new Board Members.
- 2.1.13. Establish protocols for significant governance operating matters, including in respect of meeting practices.
- 2.1.14. Approve recommendations for change to the Act or the regulations to improve the WCB's effectiveness.
- 2.1.15. Conduct an annual self-assessment of the Board's governance practices, procedures and effectiveness with a view to continuous improvement.

2.2. Organizational Direction and Performance

- 2.2.1. Approve the Strategic Plan, Employer Premium Rates and the Annual Administrative and Capital Budgets.
 - 2.2.2. Review and advise the CEO on the Operational Plan.
 - 2.2.3. Approve the Vision, Mission and Values Statements of the WCB.
 - 2.2.4. Review and advise the CEO in respect of management and information systems that support the Board's decision-making and accountability requirements.
 - 2.2.5. On the recommendation of the Executive Committee, approve policies and make them available to the public.
 - 2.2.6. Approve strategic and corporate performance measures.
 - 2.2.7. Monitor organizational performance, including by reference to the True North scorecard, and monitor the corrective action taken where necessary.
 - 2.2.8. Approve corporate social responsibility policies.
 - 2.2.9. Approve the Business Transformation Program's strategic plan and business case.
- 2.3. Corporate Communications
- 2.3.1. Monitor the implementation of the annual communication plan, including discussing significant emerging communication issues (including those relating to social media) with the CEO.
 - 2.3.2. Approve and comply with a corporate communication protocol.
- 2.4. Human Resource Management and Performance
- 2.4.1. Appoint the CEO and, annually, discuss matters relevant to CEO succession.
 - 2.4.2. Set the CEO's salary and authority limits.
 - 2.4.3. Annually, approve CEO performance objectives and evaluate CEO performance.
 - 2.4.4. Review and advise the CEO on executive appointments and salary ranges.
 - 2.4.5. Review and advise the CEO on executive performance objectives and executive performance.
 - 2.4.6. Approve collective bargaining mandates and agreements.
 - 2.4.7. Appoint, establish responsibilities of, and monitor the performance of the Fair Practices Officer.

- 2.4.8. Appoint, establish responsibilities of, and monitor the performance of the internal auditor.
- 2.4.9. Appoint, establish responsibilities of, and monitor the performance of the Director of Governance and Board Services.
- 2.5. Financial Management and Performance
 - 2.5.1. On the recommendation of the Audit Committee, approve WCB's annual audited financial statements of the Saskatchewan Workers' Compensation Board.
 - 2.5.2. Approve the Annual Report and the Stakeholder Report.
 - 2.5.3. Recommend the appointment of the external auditor.
 - 2.5.4. Monitor the effectiveness of corporate fiscal policies and internal controls.
 - 2.5.5. Approve asset management strategies for real property, subject to Lieutenant Governor in Council approval where required by legislation.
 - 2.5.6. On the recommendation of the Investment Committee, approve investment management policies.
 - 2.5.7. On the recommendation of the Investment Committee, appoint investment advisors, managers and custodians and monitor ongoing performance of the investment fund.
 - 2.5.8. Monitor the soundness of the employee pension and benefit plans.
 - 2.5.9. Approve classifications of employers by industry groupings.
 - 2.5.10. On the recommendation of the Audit Committee, approve the actuarial assumptions used in the calculation of the benefits liabilities.
 - 2.5.11. Approve the setting of rates for the assessment of employers.
 - 2.5.12. Approve the funding policy, including surplus distribution for employers.
 - 2.5.13. Monitor performance to budget.
 - 2.5.14. On the recommendation of the Transformation Oversight Committee, approve the Business Transformation Program's funding and the associated funding strategy.
- 2.6. Risk Management and Compliance
 - 2.6.1. Provide oversight of the WCB enterprise risk management framework and risk mitigation reporting.

- 2.6.2. Review and advise the CEO on the development of a compliance agenda and monitor compliance with all applicable laws, regulations and contractual obligations.

- 2.7. Appeals to the Board
 - 2.7.1. To fulfill their responsibilities, the full-time Members will:
 - i. Carry out their appeal and adjudicative functions in accordance with the Act, the regulations and other applicable law.
 - ii. Monitor the quality and timeliness of the WCB's appeal and application processes and provide feedback to the Director of Governance and Board Services for improvements if required.
 - 2.7.2. Subsection 9(5) of the Act provides that only the full-time Members are responsible for hearing and deciding appeals to the Board pursuant to the Act.
 - 2.7.3. Section 20 of the Act establishes areas over which the Board has exclusive jurisdiction to determine questions arising pursuant to the Act, some of which include questions arising in the hearing and deciding of appeals to the Board, which is the responsibility of the full-time Board Members only.
 - 2.7.4. In order to provide better clarity of role responsibility between full-time and part-time Board Members, the term “board”, in Section 20 of the Act, is to be interpreted as referring to both full and part-time Members when the question to be determined relates to the governance of the Workers' Compensation Board.
 - 2.7.5. Questions to be determined that arise in the hearing and/or deciding of an appeal shall include, but not be limited to, the following:
 - i. Section 169 applications.
 - ii. Medical Review Panel applications.
 - iii. Issues related to the payment out of, or the supplementation of, annuities for workers.
 - iv. Orders and certificates required for collection of overpayments, and
 - v. Order for payment of administrative penalties.

Part V – Chief Executive Officer Terms of Reference

1. Main Responsibilities

- 1.1. The CEO, who is the chief administrative officer of the WCB, is appointed by the Board and is responsible for the leadership and management of the WCB in accordance with the strategies and policies established by the Board. The CEO will manage the operations of the WCB in accordance with the strategic and annual plans, the financial and operational objectives and the policies established by the Board, monitor the results, and accurately report them to the Board of the WCB in a timely way.

2. Specific Accountabilities

- 2.1. In order to fulfill those responsibilities, the CEO shall:
- 2.2. Governance Responsibilities
 - 2.2.1. Provide leadership to senior management and the WCB staff with respect to integrity, ethical conduct, respect of others and commitment to performance excellence.
 - 2.2.2. Where appropriate, lead cultural change in the organization with the objective of delivering services that are aligned with the WCB's mandate.
 - 2.2.3. Propose legislative changes when appropriate, in consultation with the Board.
 - 2.2.4. Provide comment, as requested by the Board, in respect of the governance structure, documentation, practices and procedures of the WCB.
- 2.3. Organization Direction and Performance
 - 2.3.1. Propose a Strategic Plan, an Annual Report, a Stakeholder Report and Employer Premium Rates for discussion and approval by the Board.
 - 2.3.2. Propose changes, as required, to the Vision, Mission and Values Statements of the WCB, for approval by the Board.
 - 2.3.3. Submit an annual Administrative and Capital Budget for Board approval, supported by an annual Operational Plan.
 - 2.3.4. Authorize the commitment of corporate resources in accordance with the approved budget.
 - 2.3.5. Provide timely, complete and accurate reporting to the Board on progress against strategic and operational objectives.

- 2.3.6. In consultation with the Board, establish corporate performance measures with key indicators and required targets.
 - 2.3.7. Recommend policies for Board approval through the Executive Committee and develop applicable operating procedures that are consistent with all applicable legislation and the WCB's legislative mandate.
 - 2.3.8. Recommend the process for the Board approval of policies through the Executive Committee.
 - 2.3.9. Maintain a policy development process that provides for the regular and timely review of each policy and applicable operating procedure, and identify and recommend the amendment of any policies or procedures that are not consistent with legislation, or the WCB's strategic plan or objectives.
 - 2.3.10. Propose corporate social responsibility policies for approval by the Board through the Executive Committee.
- 2.4. Corporate Communications
- 2.4.1. Submit an annual communications plan as a part of the annual Operational Plan.
 - 2.4.2. Identify and implement strategies to build and protect the WCB's public image and credibility and facilitate the accomplishment of its mission.
 - 2.4.3. Represent the WCB publicly in a manner that maintains and enhances relationships with stakeholders.
 - 2.4.4. Advise the Board in a timely fashion of any issues, events or pending matters that may have significant effect on the WCB's relationships with stakeholders, the Minister responsible for the administration of *The Workers' Compensation Act, 2013*, the Saskatchewan Government or the general public, or that may place the resources or reputation of the WCB at risk.
- 2.5. Human Resource Management and Performance
- 2.5.1. Establish an effective organizational structure that is in keeping with the values and the strategic directions of the WCB and that clearly defines employee responsibilities and authorities.
 - 2.5.2. Oversee the establishment of appropriate human resources policies and practices to create and maintain a positive, productive and innovative work environment within the WCB.

- 2.5.3. Oversee the establishment of processes to employ, train, support, monitor and assess employees to provide for the effective performance of the day-to-day work of the WCB.
 - 2.5.4. Recommend collective bargaining mandates and agreements.
 - 2.5.5. Select the Executive Management team, establish objectives and benchmarks to measure their performance, and set their compensation, in consultation with the Board.
 - 2.5.6. Establish an appropriate program for talent management, including the development and succession of senior management personnel, and review the plan with the Board.
 - 2.5.7. Assist the Board by identifying potential internal candidates for succession to the CEO position, including, where relevant, an executive development plan in respect of such persons.
- 2.6. Financial Management and Performance
- 2.6.1. Together with the Chief Financial Officer (CFO), attest to the accuracy of, and recommend the approval of, the WCB's annual audited financial statements.
 - 2.6.2. Establish adequate internal controls and management information systems to safeguard the WCB's assets and to achieve the WCB's strategic objectives and conform with prudent management practices.
 - 2.6.3. Recommend investment management policies in respect of the Fund and the appointment of consultants, advisors, managers and custodians.
 - 2.6.4. Recommend classifications of employers by industry groupings, rates to be set for the assessment of the employer and rate rebates for employers.
- 2.7. Risk Management and Compliance
- 2.7.1. Identify, monitor and manage the principal risks facing the WCB and develop strategies to adequately respond to those risks.
 - 2.7.2. Monitor compliance with applicable legislation, regulations and the WCB policies.
- 3. General**
- 3.1. In addition to the specific accountabilities set forth above, the CEO shall support the Board Members in the performance of their accountabilities (as set forth in the Board Member Terms of Reference) by the provision of appropriate information and

recommendations and, in addition, the CEO shall perform such other functions as may be delegated, from time to time, by the Board.

Part VI – Committees

1. Role

- 1.1. Standing committees are established to support the Board in fulfilling its key governance responsibilities. The standing committees, to which the Board delegates certain responsibilities, are:
 - 1.1.1. Executive Committee.
 - 1.1.2. Investment Committee.
 - 1.1.3. Audit Committee.
 - 1.1.4. Transformation Oversight Committee.
- 1.2. The responsibilities of the committees are set forth in committee charters describing the purpose, composition, processes and specific duties of each committee. The establishment of these committees ensures that the important specialized functions described in the committee charters receive focused attention, employing best practices and with needed external expertise.

2. Committee Membership

- 2.1. Each committee shall consist of a minimum of 3 Members of the Board, to a maximum of 5 Members.
- 2.2. Membership on each committee shall be for a term of one year, renewable at the direction of the Board.
- 2.3. Membership terms for each committee will be structured in staggering terms of service.
- 2.4. On each committee, the number of Members who are representatives of employers, and the number of members who are representatives of workers, shall be equal to ensure a structure that is consistent with the Meredith Principles.
- 2.5. Only full-time Members shall be eligible for appointment to the Business Transformation Oversight Committee to ensure consistency of oversight for the duration of the plan.

Part VII – Executive Committee

1. Mandate

1.1. The Executive Committee is appointed by the Board of the WCB to assist it in fulfilling its governance responsibilities in relation to:

- 1.1.1. Policy directives.
- 1.1.2. Governance.
- 1.1.3. Strategic planning.
- 1.1.4. Corporate objectives.
- 1.1.5. General customer service updates, and
- 1.1.6. Other topics as necessary.

1.2. The Act recognizes the authority of the Board to approve policy directives that form the basis of action performed or decisions made under the Act. Through policy directives, the Board may delegate and of their powers and functions to WCB staff.

1.3. The role of the Executive Committee is to monitor the ongoing administration of WCB (i.e., policies, initiatives, management priorities and other matters).

2. Executive Committee Composition and Process

2.1. The Executive Committee shall consist of:

- 2.1.1. Full-time Board Members.
- 2.1.2. CEO.
- 2.1.3. Director of Governance and Board Services.
- 2.1.4. General Counsel.
- 2.1.5. Assistant Director of Legal and Policy.
- 2.1.6. As required, other senior management to provide additional expertise in respect of the matters coming before the committee.

2.2. A majority of the Board Members shall constitute a quorum.

2.3. All members of the committee shall understand the issues facing WCB and WCB customers and be conversant with policy directives.

2.4. The Executive Committee shall meet every month or as circumstances dictate, at the call of the Chairperson.

2.5. The WCB Chairperson, in consultation with the CEO, will prepare an agenda in advance of each meeting.

2.6. The CEO and designated senior management shall be invited to attend all meetings of the Committee except where the Committee determines that it should, in accordance with sound governance practice, meet in an in camera session.

3. Executive Committee Responsibilities and Duties

3.1. It is the responsibility of the CEO and senior management to administer the affairs of the WCB on a day to day basis and to be accountable to the Board in respect of such matters.

3.2. The responsibilities and duties of the Executive Committee are as follows:

3.2.1. The CEO and senior management will effectively communicate information related to the activities of the WCB to the Members of the Board so that the Members can effectively perform their oversight obligations.

3.2.2. The CEO and senior management will provide research, advice and proposed direction to the Members of the Board, considering priorities for the WCB through the review of emerging issues and long-term trends.

3.2.3. The CEO and senior management will recommend policy directives for the consideration of the Executive Committee.

3.2.4. The CEO and senior management will review and monitor risks to WCB to report to the Members of the Board.

3.2.5. The Executive Committee will make recommendations respecting policies and legislative changes.

3.3. The Executive Committee is expected to give matters due consideration and discussion and to make policy and/or decision recommendations to the Board to carry out their governance duties.

3.4. On the advice of the Executive Committee and as approved by the full-time Board Members in attendance, recommendations will be advanced to a subsequent Board meeting which will include the part-time Board Members.

Part VIII – Investment Committee

1. Mandate

- 1.1. The Investment Committee is appointed by the Board of the WCB to assist it in fulfilling its governance responsibilities in relation to the investment of the Injury Fund (the "Fund"), bearing in mind the need for the Fund to be invested in a prudent and appropriate manner which takes into account, among other things, the cash flow needs and the funding policy of the Board. The Investment Committee shall monitor the performance of the Fund, report to the Board, and make recommendations to the Board on matters listed below.

2. Investment Committee Composition and Process

- 2.1. The Investment Committee shall consist of three or more persons appointed from time to time by resolution of the Board.
 - 2.1.1. A majority of the members of the committee shall be Members of the Board.
 - 2.1.2. The Board may appoint one or more committee members who are not Members of the Board ("outside committee members") to provide additional expertise in respect of the matters coming before the committee. The terms of appointment of outside committee members, including the circumstances in which such members shall have voting rights and the compensation for such members, shall be determined by the Board.
- 2.2. All members of the committee shall have a basic understanding of investment management issues. Relevant training opportunities shall be provided to committee members for that purpose.
- 2.3. The Board shall designate one of the committee members to act as chair of the committee. If the committee chair is not present at the meeting, the members of the committee may designate a meeting chair by majority vote. A majority of the voting members of the committee shall constitute a quorum.
- 2.4. The Investment Committee shall meet at least four times per year, or more frequently as circumstances dictate, at the call of the chair. The committee chair shall prepare and/or approve an agenda in advance of each meeting.
- 2.5. The Investment Committee may conduct any investigation appropriate to fulfilling its responsibilities. To that end the committee may require the CEO to arrange for, or may independently engage, legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

- 2.6. The CEO, the CFO, the Strategic Finance Director and the Controller shall be invited to attend all meetings of the committee except where the committee determines that it should, in accordance with sound governance practice, meet in an in camera session.

3. Investment Committee Responsibilities and Duties

- 3.1. The responsibilities and duties of the Investment Committee are as follows:
- 3.1.1. Oversee the Fund with the objective that it is managed prudently and in a manner that is consistent with the profile of the WCB's liabilities and risk tolerance.
 - 3.1.2. Review WCB practices for safekeeping of assets, income collection, settlement of investment transactions and accounting for investment transactions through delegation to a custodian.
- 3.2. Review and recommend to the Board an appropriate Statement of Investment Policies and Goals which shall be kept current by review whenever required, and no less frequently than annually.
- 3.3. Approve the engagement of an investment consultant to assist the committee in the performance of its duties and, in particular, to make recommendations on the selection of investment managers, advisors and custodians and review of the investment performance of the Fund and emerging investment matters.
- 3.4. Review reports from the Investment Consultant as to compliance with the Statement of Investment Policies and Goals (SIP&G) by investment managers and all other affected parties; Fund performance; investment manager performance; changes, if any, to investment manager staff, processes, and approach; and evaluation of investment managers and ratings of "buy, sell, or hold".
- 3.5. Oversee the development of, and monitor and revise as needed, an appropriate investment strategy and management structure.
- 3.6. Make recommendations to the Board on the appointment and removal of investment managers.
- 3.7. Meet and receive reports from investment managers and custodians as required.
- 3.8. Monitor the investment performance and stability of the Fund, bearing in mind the obligations of the WCB under *The Workers' Compensation Act, 2013*.

- 3.9. Review quarterly a report on transfers and disbursements from the Fund not related to benefits, including payment of management fees and transfers between managers (manager re-balancing).
- 3.10. Liaise with the investment managers, custodian and Investment Consultant as needed, including by the quarterly review of update reports from the Investment Consultant and presentations from the investment managers, as requested.
- 3.11. At least once in each five-year period, review the results of an asset/liability study conducted by an independent actuary to evaluate the validity of the current asset mix in the Fund so as to match WCB's benefit liability and reserve requirements.
- 3.12. Maintain minutes of meetings and periodically report to the Board (with recommendations if appropriate) on significant results of the foregoing activities.
- 3.13. Perform an annual self-assessment of committee governance and recommend to the Board any required changes to the committee charter or practices.

Part IX – Audit Committee

1. Mandate

- 1.1. The Audit Committee is appointed by the Board of the WCB to assist it in fulfilling its governance responsibilities in relation to the oversight of:
 - 1.1.1. The quality and integrity of the WCB's financial statements.
 - 1.1.2. Compliance with legal and regulatory requirements; and
 - 1.1.3. The appointment and performance of the WCB's internal auditor and external auditor.
- 1.2. In carrying out its oversight role, the Board and the committee recognize that the WCB management is responsible for the preparation, presentation and integrity of the WCB's financial statements. The committee, in the discharge of its responsibilities, will receive reports and consider advice provided by senior management, the external auditor, the internal auditor and other expert advisors, and is not itself serving as an auditor or providing a certification or guarantee in respect of the auditors' report.

2. Audit Committee Composition and Process

- 2.1. The Audit Committee shall consist of three or more persons appointed from time to time by resolution of the Board.
 - 2.1.1. A majority of the members of the committee shall be Members of the Board.
 - 2.1.2. The Board may appoint one or more committee members who are not Members of the Board ("outside committee members") to provide additional expertise in respect of the matters coming before the committee. The terms of appointment of outside committee members, including the circumstances in which such members shall have voting rights and the compensation for such members, shall be determined by the Board.
- 2.2. All members of the committee shall have a basic understanding of finance and accounting issues and be able to read and understand financial statements. Relevant training opportunities shall be provided to committee members for that purpose. At least one member of the committee shall have accounting or financial management expertise.
- 2.3. The Board shall designate one of the committee members to act as chair of the committee. If the committee chair is not present at any meeting, the members of the

- committee who are present may designate a meeting chair by majority vote. A majority of members of the committee shall constitute a quorum.
- 2.4. The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate, at the call of the committee chair. The committee chair shall prepare and/or approve an agenda in advance of each meeting. The committee shall meet privately, in an in camera session, at each meeting with each of the CFO and the internal auditor. In camera meetings with the external auditor and the Provincial Auditor will occur at least annually.
 - 2.5. The committee may conduct any investigation appropriate to fulfilling its responsibilities. To that end the committee may require the CEO to arrange for, or may independently engage, legal, accounting or other consultants or experts it deems necessary in the performance of its duties.
 - 2.6. The CEO and the CFO shall be invited to attend all meetings of the committee except where the committee determines that it should, in accordance with sound governance practice, meet in an in camera session.

3. Audit Committee Responsibilities and Duties

- 3.1. The responsibilities and duties of the Audit Committee are as follows.
- 3.2. Review Procedures
 - 3.2.1. Review the WCB's annual audited financial statements and Management's Discussion and Analysis (MD&A) prior to filing or distribution and recommend their approval by the Board. Such review should include discussion with management and the external auditor about significant issues regarding accounting principles, practices and judgments.
 - 3.2.2. In consultation with management, the external auditor and the internal auditor, consider the integrity of the WCB's financial reporting processes and controls.
 - 3.2.3. Discuss significant financial reporting risk exposures and the steps management has taken to monitor, control, and disclose such exposures and receive the CEO/CFO Internal Control over Financial Reporting (ICOFR) certification.
 - 3.2.4. Review significant findings of the external auditor and the internal auditor together with management's responses.
 - 3.2.5. Review and reassess the adequacy of this charter at least annually and submit any amendments to the Board for approval.

3.3. External Auditor

- 3.3.1. Recommend the appointment of the WCB's external auditor.
- 3.3.2. Review the independence and performance of the external auditor and annually recommend to the Board any action required having regard to section 177 of *The Workers' Compensation Act, 2013* (the "Act").
- 3.3.3. Review and discuss with the external auditor any matters that could impair the auditor's independence.
- 3.3.4. Review the external auditor's audit plan and discuss scope, staffing, locations, reliance upon management and internal audit, and general audit approach.
- 3.3.5. Discuss with the Provincial Auditor its scope of direct audit work and reliance upon the external auditor's work.
- 3.3.6. Prior to releasing the annual financial statements, discuss the results of the audit with the external auditor and the Provincial Auditor.
- 3.3.7. Consider the external auditor's and the Provincial Auditor's judgments about the quality and appropriateness of the accounting principles applied in the WCB's financial reporting.
- 3.3.8. Review any recommendations or observations made by the external auditor including its annual "report to management".
- 3.3.9. Review any recommendations or observations made by the Provincial Auditor, or by the Public Accounts Committee of the Legislature, as they relate to the WCB and to audit matters in particular.

3.4. Internal Auditor and Legal Compliance

- 3.4.1. Review the audit plan, budget, and activities of the internal audit department.
- 3.4.2. Review the appointment and performance of the internal auditor and make recommendations to the Board in respect of its approval of such appointment.
- 3.4.3. Receive regular reports from the internal auditor.
- 3.4.4. Review significant internal audit reports together with management's response and follow-up to these reports.
- 3.4.5. Review with the WCB's counsel any legal matters that could have a significant impact on the organization's financial statements and its compliance with applicable laws and regulations.

3.5. Other Audit Committee Responsibilities

- 3.5.1. Perform any other activities consistent with this charter, Board policies, the Act and applicable regulations, as the Board deems necessary or appropriate.
- 3.5.2. Review and discuss the Board's organizational code of conduct, and consider reports from management as to compliance with the code.
- 3.5.3. Annually review a summary of Board Members' and the WCB officers' related party transactions and potential conflicts of interest.
- 3.5.4. Receive reports in respect of complaints of financial or accounting malfeasance.
- 3.5.5. Annually review policies and procedures as well as audit results associated with Board Members' and the WCB officers' expense accounts and perquisites.
- 3.5.6. Maintain minutes of meetings and periodically report to the Board (with recommendations if appropriate) on significant results of the foregoing activities.
- 3.5.7. Perform an annual self-assessment of committee governance and recommend to the Board any required changes to the committee charter or practices.

Part X – Transformation Oversight Committee

1. Mandate

- 1.1. The Transformation Oversight Committee is appointed by the Board of the WCB to assist it in fulfilling its governance responsibilities in relation to the oversight of the multi-year Business Transformation Program (BTP).
- 1.2. In carrying out its oversight role, the Board and the Transformation Oversight Committee recognize that the WCB management is responsible for the day-to-day management of the BTP. The committee, in the discharge of its responsibilities, will receive reports and consider advice provided by senior management and other expert advisors.

2. Transformation Oversight Committee Composition and Process

- 2.1. The Transformation Oversight Committee shall consist of three or more persons appointed from time to time by resolution of the Board.
 - 2.1.1. A majority of the members of the committee shall be Members of the Board.
 - 2.1.2. The Board may appoint one or more committee members who are not Members of the Board ("outside Committee Members") to provide additional expertise in respect of the matters coming before the committee. The terms of appointment of outside committee members, including the circumstances in which such members shall have voting rights and the compensation for such members, shall be determined by the Board.
- 2.2. All members of the committee shall have a basic understanding of business transformation, change management and the ongoing societal and business transition to an increasingly digital economy and customer service context. Relevant training opportunities shall be provided to committee members for that purpose.
- 2.3. The Board shall designate one of the committee members to act as chair of the committee. If the committee chair is not present at any meeting, the members of the committee who are present may designate a meeting chair by majority vote. A majority of members of the committee shall constitute a quorum.
- 2.4. The Transformation Oversight Committee shall meet at least four times annually, or more frequently as circumstances dictate, at the call of the committee chair. The committee chair shall prepare and/or approve an agenda in advance of each meeting.

- 2.5. The committee may conduct any investigation appropriate to fulfilling its responsibilities. To that end, the committee may require the CEO to arrange for, or may independently engage consultants or experts it deems necessary in the performance of its duties.
- 2.6. WCB management representatives, as determined in consultation with the Board, shall be invited to attend all meetings of the committee except where the committee determines that it should, in accordance with sound governance practice, meet in an in camera session.

3. Transformation Oversight Committee Responsibilities and Duties

The responsibilities and duties of the Transformation Oversight Committee are as follows:

- 3.1. Oversight of the Business Transformation Program (BTP)
 - 3.1.1. Provide effective oversight of the BTP and its financial and operational performance.
 - 3.1.2. Review and advise the CEO and the BTP steering committee on the BTP operational plan.
 - 3.1.3. Monitor performance to budget.
 - 3.1.4. Monitor risks related to BTP activities in the purview of the committee.
 - 3.1.5. Recommend to the Board any new or changed strategic or corporate performance measures resulting from the BTP.
- 3.2. Other Transformation Oversight Committee Responsibilities
 - 3.2.1. Perform any other activities consistent with this charter, Board policies, other governing documents, the Act and applicable regulations, as the Board deems necessary or appropriate.
 - 3.2.2. Maintain minutes of meetings and periodically report to the Board (with recommendations if appropriate) on significant results of the foregoing activities.
 - 3.2.3. Perform an annual self-assessment of committee governance and recommend to the Board any required changes to the committee charter or practices.