



Board Member Policies

(Updated January 2015)

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I. Board Members

Travel

CFS will compensate board members and/or staff for use of their personal automobile on CFS business at a rate equal to that approved by Chicken Farmers of Canada for Saskatchewan. This rate is set by the Treasury Board of Canada.

Out of pocket meal expenses will be paid based on valid meal receipts. If board a member chooses not to keep meal receipts they will be paid based on the CFC daily meal expenses. Note that if a meal is provided for the board member they are not eligible to claim that meal expense.

Flights taken on behalf of the CFS for business purposes will be paid based on valid receipts. Board members are eligible to expense economy tickets for domestic flights (including flights to the USA), while executive tickets may be purchased for international flights.

Per diems for travel will be based on the amount of time traveling. Travel totalling more than 3 hours of actual flight or actual driving time are eligible for a full day per diem (this would then include travel to or from the airport and airport screening). Flights and driving under 3 hours would be eligible for a ½ day per diem.

In situations of bereavement the CFS board will decide who will attend the funeral. The expenses related to the funeral will be covered by the CFS board.

Reference: Board Meeting January 20th, 2011

Per Diems (determined at AGM)

All non-chairperson directors' per diems are \$300 per day effective March 4th, 2010. The chairperson's per diem is \$400 per day effective March 3, 2011 and shall be consistent at \$100 per day high than non-chair directors. Board members shall be paid half day per diems for conference calls and meetings less than four hours.

References: Producer Meeting March 6th, 2008, Board Meeting January 13th, 2009, AGM March 4th, 2010, AGM March 3rd, 2011

Board Member Expenses

(1) Board members will receive \$300.00 per month stipend to offset expenses incurred at their homes on behalf of the board. The chair will receive \$400.00 per month.

(2) A \$50.00 portion of the stipend is to offset board members expense to upgrade to best technology.

(3) Board members must submit their expenses in a timely manner. Any expenses incurred during a month must be submitted before the end of that month. Failure to provide an expense claim within the month will result in the CFS not paying the expense. Note that a one week grace period will be allowed for expenses that occur in the final week of the month.

Reference: Board Meeting June 23rd, 2006, Board Meeting January 20th, 2011

Quorum

For the transactions of business at Board meetings majority of the board constitutes a quorum and a decision of majority of those directors comprising a quorum is a decision of the Board.

Reference: The Chicken Marketing Plan Regulations, 2011, Section 12

Communication Methods

The Board from time to time will be required to use different forms of communication based on urgency of information and necessity of decision making. As such, board members will be required to reply to emails in a prompt manner to ensure complete information is being shared to all board members. Further, board members will be required to participate in ad hoc conference calls on short notice. Board members must make every effort possible to communicate in these mediums.

Reference: Board Meeting January 27, 2015

II. Code of Conduct and Confidentiality

Introduction

The successful business operation and reputation of Chicken Farmers of Saskatchewan is built upon the principles of fairness and ethical conduct of our directors and employees. Our reputation for integrity and excellence requires careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of Chicken Farmers of Saskatchewan is dependent upon our licensed producers' trust and we are dedicated to preserving that trust. Directors and employees owe a duty to Chicken Farmers of Saskatchewan, its licensed producers and stakeholders to act in a way that will merit their continued trust.

Chicken Farmers of Saskatchewan will comply with all applicable laws and regulations and expects its directors to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct. In general, the use of good judgment, based on high ethical and professional principles, will guide us with respect to lines of acceptable conduct. Respect, common courtesy and general consideration for others are expected at all times. Directors are expected to adhere this policy at all times. All transactions of the Board must be kept strictly confidential and all shall hold in confidence and trust all information relating thereto.

Confidentiality

The confidentiality policy is designed to ensure the integrity of Chicken Farmers of Saskatchewan's reputation and intelligence. In the conduct of business, directors become privy to considerable information regarding producer and industry issues, operations and opportunities. This information is obtained by Chicken Farmers of Saskatchewan in order to provide services to producers and members of the industry. Directors will undertake to treat confidentially all information and not disclose it to any third party or use it for any purpose either during their term of directorship, except as may be necessary in the proper discharge of their board duties, or after termination for a period of one year or until proprietary knowledge enters the public domain.

All Chicken Farmers of Saskatchewan material and information, produced by directors, or coming into their possession by or through directorship, shall belong exclusively to Chicken Farmers of Saskatchewan. Directors agree to turn over to Chicken Farmers of Saskatchewan all copies of any such materials at the request of Chicken Farmers of Saskatchewan or, in the absence of a request, upon termination of the director's seat on the Board.

Conflict of Interest

All directors, in exercising their powers and discharging their duties, shall act honestly and in good faith with a view to the best interests of Chicken Farmers of Saskatchewan, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

A conflict of interest is any situation in which directors may attempt or appear to attempt to promote an interest which results or appears to result in an interference with the objective of their duties for Chicken Farmers of Saskatchewan, or a gain or advantage by virtue of their position with Chicken Farmers of Saskatchewan.

Directors shall not:

- 1) Carry on business, hold an office or directorship, or engage in an activity if these activities are likely to conflict with their duties and loyalty to Chicken Farmers of Saskatchewan or bring harm to Chicken Farmers of Saskatchewan.
- 2) Give, or appear to give, preferential treatment to family members, friends, business associates, and former business associates.
- 3) Solicit or accept benefits, entertainment, or gifts in exchange for performing an act associated with their duties or responsibilities with Chicken Farmers of Saskatchewan, with the exception of the normal exchange of hospitality between persons doing business together. Any improper benefit given to directors or employees for this purpose should be returned to the person offering it. Directors shall consult with the Chair when unsure as to whether or not acceptance of a particular gift or benefit is in violation of this policy.

Directors shall:

- 1) Disclose any activity they are associated with, which may result in a conflict of interest.
- 2) Disclose and excuse themselves from any discussions of any motion that may offer, or appear to offer, unfair advantage to themselves, or family members, friends, business associates and former business associates. If the board is uncertain whether a conflict of interest exists, the matter must be adjourned until the conflict of interest issue is resolved.

If directors are directly or indirectly interested in a proposed contract or transaction with Chicken Farmers of Saskatchewan that could bring about financial benefit for the directors due to financial holdings or business and property interests, these holdings and interests should be disclosed in writing to the Board. The activity or transaction should only continue if the Board determines there is a compelling reason for the activity or transaction to continue.

Anti-Harassment

Chicken Farmers of Saskatchewan believes that all directors are entitled to a working environment that is free from personal harassment. All directors are expected to maintain a working environment that is free from personal harassment and to understand that personal harassment in the workplace contravenes the law.

Harassment means any objectionable conduct, comment or display by a person that is directed at another individual made on the basis of race, creed, religion, colour, sex, sexual orientation, marital status, family status, disability, physical size or weight, age, nationality, ancestry or place of origin, or that constitutes a threat to the health or safety of another individual.

III. Roles & Responsibilities of Directors and Officers

1. Role of the Chair

The Chair plays a critical role on the Board of Directors, providing leadership to enhance the effectiveness and efficiency of the Board for 1) management and supervision of the business and the affairs of the Chicken Farmers of Saskatchewan (CFS), as well as 2) its oversight of management. In performing this role, the Chair must manage the Board, work with the CFS CEO, and promote positive and productive relations with CFS farmer-members and with key industry value-chain stakeholders including government.

a. Leading the Board

The Chair will facilitate the effective and efficient operation and management of, and provide strong leadership to, the Board.

The Chair presides at, and maintains order at, all meetings of the Board and at any annual or special general meeting of farmer-members, as well as at any industry meetings convened by the Board. This involves accepting and directing motions, ruling on points of order and procedure, and guiding the discussion in the appropriate fashion. If required, the Chair only votes to break a tie.

The Chair of the Board will ensure that the agenda of the Board meeting is reviewed in advance of the meeting taking place.

The primary responsibilities of the Chair with regard to leadership of the Board are:

- In conjunction with the CEO, setting Board agendas;
- Facilitating the Directors' input into the agenda for Board meetings;
- Chairing Board meetings and ensuring there is adequate time at Board meetings for discussion about relevant issues and for the Directors to meet privately in camera;
- Proactively coaching/mentoring of Directors to enhance their contributions to the Board;
- Communicating, in conjunction with the CEO, with representatives of CFS's regulators;
- Overseeing the orientation and training program for new Directors and the continuing education and program of all Directors
- Engaging, at the expense of CFS and in consultation with the CEO, outside advisors for the Board or its Committees, as required; expenditures of this nature that are outside of the budget must be approved by the Board
- Being an effective ambassador and representative of the Board
- The Chair will also perform such duties and powers as the Board may prescribe

b. Managing the CEO

The Chair acts as liaison with the CEO who is charged with the general supervision of the business and affairs of the Board.

The principal duties and responsibilities of the Chair with regard to the CEO include:

- Ensuring that the respective responsibilities of the Board and those of management are well understood, and that the boundaries between Board and management responsibilities are respected
- Communicating the expectations and/or concerns of the Board to the CEO
- Acting as a sounding board for the CEO
- Leading the annual performance goal setting of the CEO
- Ensuring there is an active succession strategy and plan in place for the CEO

c. Relations with Farmer-Members

The principal duties and responsibilities of the Chair with regard to building and maintaining positive and productive relationships with our farmers are:

- Leading and facilitating the Board's efforts to promote engagement with, and feedback from farmers
- Ensuring the Board's disclosure policy is being consistently applied for timely, high quality and clear reporting of Board performance or any other developments that have a significant and material impact on CFS

2. Role of the Vice-Chair

During the absence of the Chair or his or her inability to act, the Chair's duties may be performed by the Vice - Chair.

3. Role of CFS Directors

The Board of Directors, as a whole, is responsible for supervising the management of the business and affairs of CFS. Each Director participates in fulfilling the Board's stewardship role by acting honestly and in good faith with a view to the best interests of CFS (fiduciary duty) and exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (duty of care).

As elected representatives of CFS, Directors are responsible for ensuring that the Board fulfills its objectives and mandate for the administration of the Chicken Marketing Plan Regulations, 2011. Directors do not represent the specific interests of any constituency as Directors act and make decisions that are in the best interests of CFS as a whole.

Directors respect the responsibilities delegated by the Board to management and avoid interference with management's duties while insisting upon accountability to the Board and reporting mechanisms for assessing CFS's performance. Directors are expected to work positively, cooperatively and respectfully with fellow Directors and staff while exercising independence in decision making.

Directors recognize that the Board Chair or the Chair's designate is the official spokesperson for the Board. Directors support the decisions and policies of the Board in discussions with others, even if a Director holds another view or voiced another point of view during a Board discussion or was absent from a Board meeting. Directors respect the confidentiality of Board discussions and information.

a. Duties and Responsibilities

The principal duties and responsibilities of each Director include:

- Acting in the highest ethical manner and with integrity in all CFS, industry and business dealings
- Confirming compliance with the CFS Code of Conduct and Confidentiality on an annual basis
- Understanding and visibly supporting the achievement of CFS's strategic plan
- Understanding CFS's governance policies and practices and the legislation and regulations affecting CFS
- Preparing thoroughly for each Board meeting by reviewing the materials sent to Directors in advance of meetings
- Attending all Board meetings and actively participating in deliberations and decisions in an objective, respectful, independent manner
- Representing CFS at external meetings, provincially and federally. Actively and clearly advocating CFS's standpoint and communicating deliberations back to the Board
- Supporting and being bound by Board policies and decisions with the industry
- Establishing and building relationships with local government officials, processors, farmers and members of other provincial chicken boards
- Participating in committees and attending functions that benefit the CFS
- Continually developing own skills as Directors

b. Director Qualifications

Directors representing a diversity of viewpoints, backgrounds, experiences and other demographics will strengthen and sustain Board leadership, governance and effectiveness.

From an experience standpoint, it is expected that a Director will be a successful chicken farmer with a strong entrepreneurial flair and an exemplary record of regulatory compliance.

It would be preferable if the Director brings to the Board other governance experience from other business enterprises (private or public sector), non-profit, and other organizations. It would also be preferable if the Director has experience and skills in the areas of operations, finance, technology, and risk management.

Directors should be free of any conflict of interest that would interfere with their ability to properly discharge their duties as a Director or would violate any applicable law or regulation.

The Board believes that each Director should exhibit the following characteristics while executing his or her duties:

- Highest standards of integrity
- Commitment and accountability
- Strategic thinking “able to see the big picture”
- Results-focused and action-oriented
- Informed and practical judgement
- Strong service orientation
- Capable of working in a collegial, professional and collaborative manner with fellow Directors
- Ability to communicate openly and effectively with fellow Directors, CFS management, farmer-members, industry and government representatives

c. Orientation and Continuing Education

All new Directors must participate in CFS’s orientation program for new Directors regarding CFS’s governance, business and affairs, within three months of their election to the Board. This multi-phase orientation includes a review of the CFS Board Policies, Board Orders, Regulations, Code of Conduct and Confidentiality. It also includes presentations by CFS staff to familiarize new Directors with CFS’s strategic plan.

Reviews of aspects of CFS’s operations will be presented by appropriate individuals from time to time as part of the agenda of regular Board meetings as well as in Board workshops. It is also expected that each Director will remain well informed regarding current developments and best practices in corporate governance. In that regard, the Board considers it desirable that Directors participate in continuing education opportunities and considers such participation an appropriate expense to be reimbursed by CFS. Director education and training priorities should reflect development goals established by the CFS Board. All new Directors will be required to take governance training within their first year of being on the board.

d. Other Directorships

Recognizing the importance of the “CFS First” commitment required of Directors, it is expected that Directors will serve on the boards of other organizations only to the extent that, in the judgment of the Board, such services do not detract from the Directors' ability to devote the necessary time and attention to the CFS. To avoid any potential conflict of interest, Directors will not accept a seat on any additional organization without first reviewing the matter with the CFS Board.

4. Role of the Chief Executive Officer

The Chief Executive Officer (CEO), reporting to the Board through the Chair, has strategic and operational leadership responsibility for CFS. The CEO is appointed and evaluated by the Board of Directors.

Working with the Board, the CEO will have primary responsibility for implementing the strategic plan that charts the future course of CFS. This plan, which must be approved by the Board, sets out a future vision, identifies priority issues that must be addressed in order to realize that vision, defines the mission to achieve the vision and sets short, medium and long-term objectives and strategies.

The CEO is to provide strategic and operational leadership to the CFS organization to improve performance on an ongoing basis, initiate processes to identify opportunities, and drive initiatives to enhance both the CFS and the Saskatchewan chicken industry profitable growth and sustainability as defined by the CFS strategic plan.

The principal duties and responsibilities of the CEO include:

- Develop, with Board involvement and approval, and implements a strategic plan that addresses the needs of CFS and the Saskatchewan chicken industry
- Ensure that a comprehensive strategic planning process is followed; the strategic plan will be updated periodically and will act as the framework for the annual budget
- Update the Board of Directors on the status of the strategic plan and recommend any reviews and modifications
- Provide weekly updates to the Board on the status of operations
- Act as the principle staff advisor to the Board and Board Committees, ensuring good corporate governance performance in all aspects of CFS operations
- Respond to Board directives and initiatives and keep the Board of Directors fully informed
- Builds positive relationships with CFS Board, farmers and industry stakeholders
- Ensure that staff have a practical understanding of the Saskatchewan chicken industry and appreciation for Saskatchewan chicken farmers' businesses
- Create the appropriate CFS organizational environment and value system to enhance the morale and productivity of the CFS work team

- Develop positive and productive working relationships with external stakeholders (customers, other value chain stakeholders, industry and trade organizations, regulatory bodies and government)
- Forge strategic alliances where appropriate to support business opportunities
- Create a positive profile for CFS in the industry and general public
- Develop communication and advocacy strategies, and deliver effective external representation
- In collaboration with the Board Chair, represent CFS before all levels of government and regulatory authorities, as well as industry
- Ensure that government legislation and policies are carefully monitored and evaluated in terms of their effect on the chicken industry
- Serve as principal liaison and support active involvement with relevant industry association

IV. Role of Directors Agreement Form

This **agreement** has been made the _____ day of _____, 20__.

This is an agreement between the **Chicken Farmers of Saskatchewan**

and

Board Member:

This is an agreement that _____ (name of board member) has read, understands and agrees to follow the Board Member Policies, including the Code of Conduct and Confidentiality and Roles and Responsibilities of Directors and Officers.

IN WITNESS WHEREOF the parties have herunto executed this Agreement.

Board Member Signature

Date