

## **DIVING PLONGEON CANADA ("DPC") BOARD OF DIRECTORS TERMS OF REFERENCE**

June 2023

### **PURPOSE**

The Board of Directors (the "Board") has the responsibility for the stewardship of DPC and to oversee the conduct of the business of DPC. The Board's fundamental objective is to foster the long-term success of DPC. In overseeing the conduct of the business, the Board, through the senior leadership team (COO, CTO), shall set the standards of conduct for the enterprise.

### **GOVERNANCE PRINCIPLES**

The following are the governance principles adhered to by the Board:

Representation – The Board represents DPC and its members and acts in the best interests of DPC and its members.

Diversity – Directors are elected by the members to bring special expertise and diverse points of view to Board deliberations.

Conflicts of Interest – The Board shall establish processes and guidelines to avoid and address potential for conflicts of interest.

### **COMPOSITION, PROCEDURES AND ORGANIZATION**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its President and constituting committees. Certain of the Board's responsibilities may be delegated to committees or senior staff. The responsibilities of those committees shall be set out in their individual terms of reference as approved by the Board.

Pursuant to the by-laws of DPC, the Board consists of a minimum of 4 and no more than 9 directors. The directors are elected and hold office in accordance with the by-laws of DPC.

A director is: Any person who has been duly elected as such and meets all of the qualifications to be a director as required under the By-Laws and the Act.

## MEETINGS

The Board shall meet at such times and in such places each year as it considers necessary and appropriate. The Board has developed a calendar of the activities to be undertaken by the Board for each meeting, attached as Appendix A. Meetings shall be governed in accordance with DPC's by-laws. In addition, the following principles shall apply to the conduct of Board meetings:

- (a) In order to facilitate the efficient conduct of business, meetings of the Board shall be for directors, the Chief Operating Officer ("COO") and the Chief Technical Officer ("CTO") only, with guests invited at the discretion of the board.
- (b) Materials for the meeting will be given to directors with adequate lead time for meeting preparation. Directors are obligated to prepare for and attend meetings, and to participate productively in discussions of each agenda item.
- (c) Minutes of meetings will be prepared and circulated to directors within a reasonable period of time.
- (d) The Board will endeavour to meet at least four times annually, to the extent feasible in-person and otherwise by teleconference.
- (e) Board agendas shall be developed by the President in consultation with the COO.

## DUTIES AND RESPONSIBILITIES

The Board's principal duties and responsibilities fall into a number of categories which are outlined below.

### General

The Board shall have the power to do all things necessary for managing the affairs of DPC in accordance with the *Canada Not For Profit Corporations Act*, as amended from time to time, (the "Act") and with its by-laws. Without limiting the generality of the foregoing, the Board shall have these powers:

- (a) Except as otherwise provided in the Act or these by-laws, all the powers of DPC including the power to delegate any of its powers, duties and functions.
- (b) The power to discipline members in accordance with approved policies and procedures.
- (c) The power to direct that disputes within DPC be managed in accordance with approved policies and procedures.
- (d) The power to establish committees, to appoint members to committees or to delegate to others the authority to appoint members to committees.

- (e) The power to prescribe rules and regulations not inconsistent with these by-laws relating to the management and operation of DPC.
- (f) The power to employ such persons as it deems necessary for carrying out the work of DPC.

### **Legal Requirements**

The Board has the responsibility to:

- (a) supervise the management of the business and affairs of DPC;
- (b) act honestly and in good faith with a view to the best interests of DPC;
- (c) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
- (d) ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.

### **Independence**

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of staff.

### **Strategy Determination**

The Board has the responsibility to:

- (a) participate with management in the development of, and ultimately approve, DPC's strategic plan, taking into account, among other things, the opportunities and risks of DPC's business;
- (b) approve the annual budget that support DPC's ability to meet its strategic objectives;
- (c) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to DPC;
- (d) monitor DPC's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances;
- (e) review, at every regularly scheduled Board meeting if feasible, recent developments that may affect DPC's strategy, and discuss with management on emerging trends and issues.

### **Financial and Corporate Issues**

The Board has the responsibility:

- (a) to take reasonable steps to ensure the integrity and effectiveness of DPC's internal control and management information systems, including the evaluation and assessment of information provided by management and others (e.g., internal and external auditors) about the integrity and effectiveness of DPC's internal control and management information systems;
- (b) to review operating and financial performance relative to budgets and objectives;
- (c) to approve the annual financial statements and notes thereto;
- (d) to approve significant contracts, transactions, and other arrangements or commitments that may be expected to have a material impact on DPC.

### **Managing Risk**

The Board has the responsibility to understand the principal risks of the business in which DPC is engaged, to achieve a proper balance between risks incurred and the potential return, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of DPC.

### **Appointment, Training and Monitoring Senior Management**

The Board has the responsibility:

- (a) to appoint the COO and the CTO (collectively the "Chief Officers"), to monitor and assess the Chief Officers' performance against corporate goals and objectives, to determine the Chief Officers' compensation and to provide advice and counsel in the execution of the Chief Officers' duties;
- (b) to the extent possible, to satisfy itself as to the integrity of the Chief Officers and other senior officers and satisfy itself that the Chief Officers and other senior officers are creating a culture of integrity throughout DPC;
- (c) to ensure that adequate provision has been made to train and develop management and for the orderly succession of the Chief Officers and the other senior officers.

### **Policies, Procedures and Compliance**

The Board has the responsibility:

- (a) to ensure that DPC operates at all times within applicable laws and regulations and to the highest ethical and moral standards;

- (b) to approve and monitor compliance with significant policies and procedures by which DPC is operated;
- (c) to review significant new policies or material amendments to existing policies.

### **Governance**

The Board has the responsibility:

- (a) to appoint such committees as it considers necessary for the oversight and conduct of DPC's business and delegate to those committees any appropriate powers of the Board;
- (b) to review the size and composition required of the Board and approve nominations for candidates for election to the Board, with a view to ensuring that the Board is comprised of directors with the necessary skills and experience to facilitate effective decision-making;
- (c) to develop DPC's approach to corporate governance; and
- (d) to review periodically its terms of reference and its performance and the performance of the committees and the President to ensure that the Board and the committees are operating effectively.

### **External Relations**

The Board has the responsibility:

- (a) to ensure that DPC has in place effective communication processes with its members and other stakeholders and with governmental and other institutions and agencies;
- (b) to ensure that the financial performance of DPC is accurately reported to members and other stakeholders as necessary on a timely and regular basis;
- (c) to develop, monitor and update an external relations strategy to ensure that Canadian diving is promoted and holds a prominent position both domestically and internationally.