

Board Structure

1. Board Composition

- 1.1. The MCFDC Bylaws establish the process for selection of Directors.
- 1.2. The recruitment process is led by the MCFDC Governance Committee and is limited to recommending to members skill requirements of the Corporation Board of Directors annually.
- 1.3. Observers
 - 1.3.1. The Board of Directors has the ability to appoint Observers to assist the Board in its deliberations.
 - 1.3.2. When contemplating the use of Observers, the Governance Committee shall seek a diverse group of candidates who combine a broad spectrum of background, experience, skills and expertise to make a significant contribution to the Corporation and the Board.

2. Terms

- 2.1. Directors shall be appointed for a two year term with a maximum of 8 consecutive years subject to certain conditions contained in the Corporate Bylaw Part 11.

3. The Board Chair

- 3.1. The Board Chair is elected annually by the Board at the first meeting of the Board following the Annual general Meeting.
- 3.2. The Chair shall be an ex-officio member of all committees of the Board.
- 3.3. The Chair shall have the following responsibilities:
 - 3.3.1. To lead, manage and organize the Board as an interactive strategic Board, that establishes and monitors the policy direction and strategic plan for MCFDC;
 - 3.3.2. To manage the responsibilities of the Board effectively and efficiently in compliance with the Board terms of reference and to ensure that the functions of the Board delegated to the committees of the Board, are carried out by the committees and reported to the Board and recorded as such;
 - 3.3.3. To verify that the responsibilities of the Board are well understood by both the Board and the General Manger, and that the distinct roles of the Board and the General Manger are clearly understood and respected, with the Board's primary responsibility being to provide strategic direction and not day-to-day management of MCFDC;
 - 3.3.4. To preside as Chair at all meetings of the Board and members and to set the agenda of the Board and members' meetings in consultation with the General Manger;
 - 3.3.5. To act as a liaison between the Board and the General Manger on a mutually beneficial basis with a regular plan and/or schedule of communications;
 - 3.3.6. To facilitate a process whereby the Board works together in a spirit of collegiality at Board meetings, where thorough discussions are encouraged, and to provide the leadership necessary to achieve this goal;
 - 3.3.7. To represent MCFDC in meetings with members, committees;
 - 3.3.8. To speak on behalf of the Board;
 - 3.3.9. To support the General Manger in efforts to ensure timely and relevant information and other resources are available to the Board to adequately support its work; and
 - 3.3.10. To carry out such other duties and responsibilities as may be required of the chair by the Board from time to time.

4. Vice-Chair

- 4.1. A Vice-Chair will be elected by the Board of Directors at the first Directors' meeting following the annual general meeting and shall:
 - 4.1.1. perform the duties of the Chairman in the absence or disability or refusal of the Chairman to act as the Chairman; and
 - 4.1.2. shall have such powers and duties as may from time to time be assigned to him or her by the Board.

5. Secretary-Treasurer

- 5.1. MCFDC officials or staff will be designated by the General Manger to provide the following functions:
 - 5.1.1. to act as secretary for the Corporation;
 - 5.1.2. to attend to the recording and preparation of all minutes, resolutions and proceedings undertaken at meetings of the Directors or any committee thereof, and of the members;
 - 5.1.3. to attend to the correspondence on behalf of the Corporation and to prepare all annual reports and resolutions required under the Act;
 - 5.1.4. to be the custodian of all minute books and accounting records of the Corporation, as well as any documents and registers of the Corporation;
 - 5.1.5. to be custodian of the seal of the Corporation;
 - 5.1.6. keep proper accounting records in compliance with the Act;
 - 5.1.7. be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation;
 - 5.1.8. render to the Board whenever required an account of all his or her transactions as Treasurer and of the financial position of the Corporation; and
 - 5.1.9. to perform such other duties as may be assigned by the General Manger and from time to time by motion or resolution of the Board.
- 5.2. The Secretary-Treasurer may be required to be bonded for the faithful performance of his or her duties as the Board in its uncontrolled discretion may require. No Director, however, shall be liable for the failure to require any bond, nor for the insufficiency of any bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

6. Board Committees – General

- 6.1. MCFDC recognizes that Board committees can be beneficial to the Board in fulfilling its mandate and work. In order to maximize the work and accountability of its Board committees, the MCFDC Board shall set out the responsibilities and expectations of each committee.
- 6.2. The Board may establish both standing and ad hoc committees to help carry out its responsibilities.
- 6.3. For each Committee established by the Board a Terms of Reference must be established that at minimum will outline:
 - 6.3.1. Name and Type of Committee (Standing/Ad Hoc/Special)
 - 6.3.2. Purpose of the Committee
 - 6.3.3. Composition
 - 6.3.4. Appointment of Chair
 - 6.3.5. Decision making process
 - 6.3.6. Authority Delegated

- 6.3.7. Timeframe/Reporting/Deadlines/Dissolution
- 6.3.8. Meetings
- 6.3.9. Staff Support
- 6.3.10. Communications with the Board
- 6.3.11. Communications with the General Manager
- 6.3.12. Specific Areas of Responsibility
- 6.3.13. Other

- 6.4. Committee members shall abide by the same code of conduct as Board of Directors.
- 6.5. Board committees may not speak or act for the Board, but rather committees make recommendations to the Board of Directors. A committee's job is to fully investigate and analyze relevant information, then report back to the Board with recommendations for decisions on policy or issues related to the Committee's mandate.
- 6.6. All deliberations of any Committee, and all records, material and information pertaining to the MCFDC obtained by a member of a Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.
- 6.7. Board committees do not exercise authority over staff and do not replace the supervisory capacity of the General Manger.
- 6.8. It is the expectation that MCFDC Directors will evenly participate on Board committees.
- 6.9. Membership on committees shall rotate periodically.
- 6.10. Should a committee member miss two or more meetings in a sequence of three consecutive meetings:
 - 6.10.1. The committee chair will contact the committee member to ascertain the reason for the committee member's absences and the intention and the ability of the committee member to attend future meetings;
 - 6.10.2. The Committee Chair will notify the Board of Directors of the committee member absences;
 - 6.10.3. The committee member and the Chair may discuss a plan for to enable the committee member to attend future meetings; and
 - 6.10.4. If the committee member continues to miss two or more committee meetings in the subsequent three meetings, then the committee member will be asked to resign, unless there are extenuating circumstances and the committee member expects to be able to fully participate in the Committee in a reasonable period of time;
- 6.11. The Board of Directors shall approve all committee memberships on an annual and as required basis.
- 6.12. Chairpersons of each committee shall be appointed by the Board.
- 6.13. Committee Reporting

- 6.13.1. The General Manger shall appoint a MCFDC staff person to act as recording secretary only for Committees.
- 6.13.2. An outline of material proceedings and deliberations addressed by the Committee, and all recommendations, decisions and directives of the Committee shall be recorded by the Secretary in the minutes of the meeting.
- 6.13.3. A draft copy of the minutes of such meeting, approved by the Committee Chair, shall be circulated to the Committee prior to the next Committee meeting where practicable, for approval by the Committee. A Committee member may request that the minutes be revised to include specific deliberations. Following approval of the minutes of the meeting by the Committee as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Committee shall be re- circulated to the Committee.
- 6.13.4. Draft minutes shall be circulated to the Board prior to the next regular Board meeting.
- 6.13.5. A report of the Committee meeting shall be made at the next regular meeting of the Board. Reports to the Board may take the form of an oral or written report by the Chair of the Committee, or any other member of the Committee designated by the Committee to make the report.

7. Governance Committee - Terms of Reference

- 7.1. Purpose - The purpose of the Governance Committee is to provide a focus on governance that will enhance the organization's performance. The committee assesses and makes recommendations regarding Board effectiveness and provides direction regarding ongoing Board development.
- 7.2. Composition - The Governance committee shall be composed of a minimum; Chair, Secretary-Treasurer one non-officer Director and a second non-officer Director if the Secretary-Treasurer is not a Director.
- 7.3. Term - The Term of the Committee members shall be one year but nothing shall prevent the appointment of a Committee members for two or more consecutive terms.
- 7.4. Meetings - The committee shall meet at least two times each year.
- 7.5. Duties and Responsibilities General - The committee has the responsibility to:
 - 7.5.1. Review, monitor and make recommendations regarding orientation of new Directors and ongoing Board development;
 - 7.5.2. Recommend to the Board, and regularly implement, an appropriate evaluation process for the Board and committees;
 - 7.5.3. Review regularly, for Board approval, a Board Manual outlining the policies and procedures by which the Board will operate, and the terms of reference for the Board, the Board chair, Directors and committees;
 - 7.5.4. Review as required, the articles of MCFDC and bylaws and recommend for approval to the Board and subsequently the membership any amendments.
 - 7.5.5. At the request of the Board, undertake such other governance initiatives as may be necessary or desirable to contribute to the success of the organization.

8. Finance Committee – Terms of Reference

- 8.1. Purpose – The purpose of the Finance Committee as an advisory Committee to the Board is to be responsible for developing and implementing the major and secondary policies of MCFDC in the areas of Finance to ensure the appropriate fiscal management of MCFDC operations and assets.

8.2. Composition

8.2.1. The Finance committee shall be composed of a minimum Vice-chair, Secretary-Treasurer, one non-officer Director and a second non-officer Director if the Secretary-Treasurer is not a Director. The General Manager shall be an ex officio member of the Finance committee.

8.3. Term - The Term of the Committee members shall be one year but nothing shall prevent the appointment of a Committee members for two or more consecutive terms.

8.4. Meetings – The Committee shall meet no less than 2 times per year.

8.5. Duties and Responsibilities - The committee has the responsibility to:

8.5.1. Related to the External Auditor and Audit:

8.5.1.1. Review and approve management nominations for the appointment of the external Auditor and recommend to the Board and subsequently the membership for final annual approval by the membership in accordance with the Act.

8.5.1.2. Ensure that the external Auditor is independent of MCFDC meaning the Auditor;

8.5.1.2.1. Is not an employee or Executive Officer of MCFDC;

8.5.1.2.2. Has no immediate family member who is a Director, employee or Executive Officer of MCFDC;

8.5.1.3. Review the terms of the Auditors' engagement and the audit plan, including the assurance of independence, appropriateness and reasonableness of the proposed audit fees and any unpaid fees;

8.5.1.4. Review engagements for significant, unbudgeted, non-audit services to be provided by consultants, including Auditors engaged as consultants and, as necessary, consider the potential impact of such services on the independence of the Auditors;

8.5.1.5. Review, annually, the performance of the Auditors and recommend removal of the Auditors to the Board and subsequently the membership if circumstances warrant. The auditors shall report directly to the Committee and the Committee shall oversee the resolution of disagreements between management and the Auditors in the event that they arise. Obtain and review a report by the Auditor describing the Audit Firm's internal quality control procedures, any material issues raised by the most recent internal quality-control review, peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues;

8.5.1.6. Review all disagreements, unresolved issues and consultations, as defined in any applicable legislation or requirements, on a routine basis, whether or not there is to be a change of Auditors.

8.5.1.7. Ensure the company's external auditors change the engagement partner every five years.

8.5.1.8. Review any problems experienced by the Auditors in performing an audit, including any restrictions imposed by MCFDC management or significant accounting issues on which there was a disagreement with MCFDC management;

8.5.1.9. Review audited annual financial statements, in conjunction with the report of the auditors, including a review of any significant variances between comparative reporting periods; and

8.5.1.10. Recommend for approval the annual audited financial statements for MCFDC to the Board and subsequently to the membership.

8.5.1.11. Recommend for approval and ensure compliance with MCFDC financial policies.

9. Investment Review Committee – Terms of Reference

9.1. Purpose – The purpose of the Investment Review Committee is to on behalf of the Board: review applications for loans, guarantees and/or equity participation placed before it and approve or reject such applications; review major conditions and terms set out in agreements with clients who are to receive financial assistance; review major conditions and terms set out in agreements with clients who are to receive financial assistance from other sources; and maintain a continuing review of loans, guarantees and equity interests made by the Corporation.

9.2. Composition

9.2.1. The Investment Review Committee shall be composed of the Chair and a minimum two (2) other Directors.

9.3. Term

9.3.1. The Term of the Committee members shall be one year but nothing shall prevent the appointment of a Committee members for two or more consecutive terms.

9.4. Meetings

9.4.1. Meetings of the Investment Review Committee shall be in accordance with the client turn around pledge of 10 days (normally one meeting per month is adequate) except in special circumstances demanding quicker response times.

9.5. Duties and Responsibilities

9.5.1. The committee has the responsibility to:

9.5.1.1. To review applications for loans, guarantees and/or equity participation placed before it and approve or reject such applications;

9.5.1.2. To review major conditions and terms set out in agreements with clients who are to receive financial assistance;

9.5.1.3. To review major conditions and terms set out in agreements with clients who are to receive financial assistance from other sources; and

9.5.1.4. To maintain a continuing review of loans, guarantees and equity interests made by the Corporation.