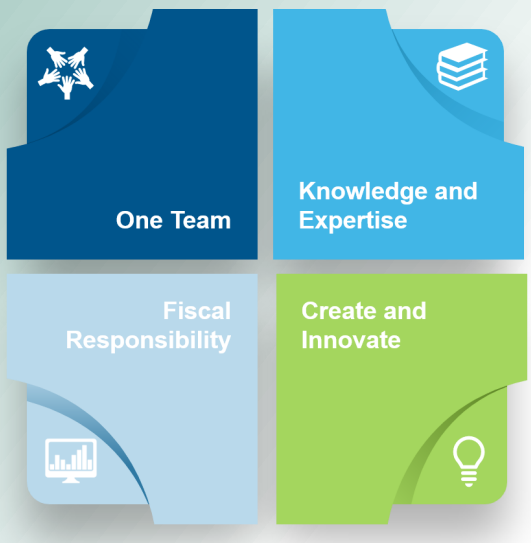
Subsidiary Crown Policy Manual



Crown Investments Corporation of Saskatchewan

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Introduction

Issue Date: February 4, 2016
Revised Date: August 20, 2026

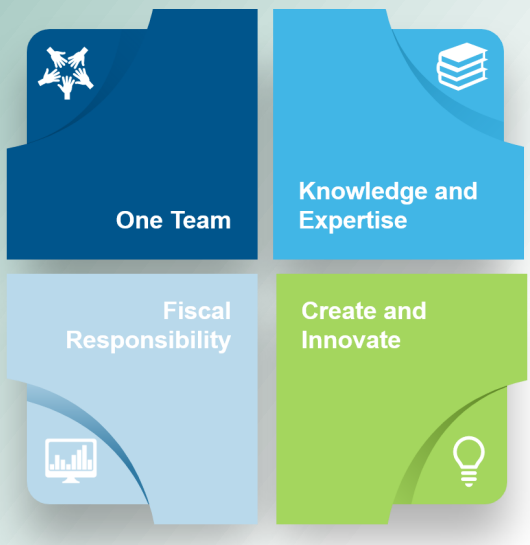
Crown Investments Corporation of Saskatchewan (CIC) issues this Subsidiary Crown Policy Manual (the Manual) as a framework for consistent, modern, and accountable governance across all CIC subsidiary Crown corporations (Subsidiary Crowns).

The Manual is one of the principal mechanisms through which CIC fulfills its statutory obligations (in sections 5 and 6 of The Crown Corporations Act, 1993) to exercise supervision and give direction to Subsidiary Crowns and to issue directives that ensure their activities align with government policy and the public interest.

The purpose of the Manual is to:

- establish a clear and accessible set of policies applicable to all subsidiaries;
- provide common governance standards that enable consistency and accountability across the Crown sector; and
- fulfill CIC's leadership role in ensuring that Subsidiary Crown corporations remain aligned with the public interest while delivering effective services to the people of Saskatchewan.

Accounting & Disclosure Policies



Crown Investments Corporation of Saskatchewan

Appointment of External Auditors Policy

Issue Date: February 17, 1994
Revised Date: November 14, 2019

Authority:

The Crown Corporations Act, 1993
CIC Board Minute - #29/2006

Applicability:

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose:

The objectives of this policy are:

1. To ensure CIC satisfies its responsibilities under *The Crown Corporations Act, 1993;*
2. To ensure audit and audit-related services are received in the most cost-efficient manner;
3. To ensure an efficient and effective approach for both management of the Crown corporation and the audit firms in dealing with audit tenders; and
4. To meet legal and trade obligations.

Policy Statement and Process:

- Auditors will be appointed by Order-in-Council upon approval by the CIC Board of Directors.
- Auditor appointments are typically for a term of five years. However, appointments will be reviewed annually by each Crown corporation. An appointment may be terminated by a Crown Board of Directors, at any time, for unsatisfactory service. All appointments are terminated after the completion of the term of the appointment, unless the CIC Board authorizes an extension.
- Incumbent auditors will be eligible for reappointment for additional consecutive terms (i.e., the same audit firm may be re-appointed).
- All CIC Crown corporations will tender their audits within the same year. CIC will determine the timing of the audit tender to ensure that the process is completed within a reasonable time period. This process will allow for CIC to optimize Crown and external auditor resources.
- The Crown corporation's management and its Board of Directors will have substantial responsibility in the selection process. The subsidiary Crown's Board of Directors will make a recommendation to CIC stating the basis for their recommendation.
- CIC will be responsible for making a recommendation to the CIC Board of Directors to ensure a reasonable allocation of audit work.

Background:

CIC and its subsidiary Crown corporations have the authority under *The Crown Corporations Act, 1993* to appoint external auditors to examine their corporate financial statements. To ensure that CIC and its subsidiary Crowns are receiving value for services received, CIC enacted a policy in 1994 to review auditor appointments on a five-year cycle. The selection of an external auditor is the responsibility of the Board of Directors of each Crown corporation. External auditor selections are subject to CIC Board approval and are appointed through Order-in-Council.

General Provisions:

- The Crown Corporations must complete a Request for Proposal (RFP) if the total value of the audit services contract exceeds $100,000 as per the New West Partnership Trade Agreement (NWPTA). Irrespective of the NWPTA, all Crowns must complete an RFP for audit services.
- The Crown corporation RFP will be made public on the "SaskTenders" website to ensure the Corporations are in compliance with applicable trade agreements. Appendix A provides the objectives and guidelines of the RFP.
- There is transparency in this process as the auditors are aware of the selection process and the goal to balance the allocation of audit work across the Crowns.
- The audit committee (or in absence of an audit committee, a sub-committee of the Board) of the Crown corporation will recommend to the Board of Directors its first and second choices.
- The Board of Directors will, subject to their concurrence, recommend these choices to CIC's Board of Directors.
- The CIC Board of Directors will consider the recommended choices and recommend the appointment of one of the auditors to the Lieutenant Governor in Council. The CIC Board will consider the following in its evaluation:
    - Reasons for change in external audit firm (if changing external audit provider);
    - The Crown corporation's assessment of the RFP; and
    - CIC's assessment of the impact of an appointment on the total allocation of audit work.

As part of CIC's assessment of the RFP, CIC will consult with the Provincial Auditor for his or her comments on the primary candidates. This will provide the Provincial Auditor with an opportunity to express any reservations

Administrative Information:

Contact:
Owner: Corporate Controller, Finance & Administration Division, CIC,306-787-7264
Executive Sponsor: Vice President & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: November 14, 2019

Appendix A

Objectives

The objectives of the RFP are:

- To obtain consistent relevant information about the audit firms to be able to assess their capabilities;
- To clearly define what services are required;
- To provide the audit firms with appropriate information about the Corporation to enable the audit firms to prepare a response; and
- To ensure the proposed audit services offer best value.

Guidelines

Selection of an audit firm depends on several factors, including the business of the corporation, the industry that it operates in, and what the Corporation wishes to achieve in the RFP process. Factual information on the Corporation will enable audit firms to make reasonable assumptions about the audit. Areas to consider for inclusion in the RFP are as follows:

- Brief history of the corporation.
- Minimum services required (i.e., required audit reports to the Legislature and the Provincial Auditor).
- Reporting deadlines of required reports (i.e., annual financial statements and CIC consolidated schedules, Provincial Auditor reports, etc.).
- Current corporate structure, including key management personnel, composition of the board of directors, audit committee, etc.
- Description of internal audit function.
- Current corporate climate including recent profit/loss positions, asset base, reorganizations, acquisitions, etc. and recent audited financial statements and annual reports.
- Discussion of current management in relation to the operations of the corporation.
- Description of expected extent of assistance from corporate staff.

The remainder of the document should define the types of information required from the firms in the RFP process. Objective weighting will be assigned to the requirements of the RFP. Examples of the types of information that should be requested from respondents are:

- A description of the audit firm's experience and expertise in the industry the Corporation operates in, including a list of local and national clients they serve in the industry and any economies of scale that can be derived from their related experience/expertise;
- A description of the audit firm's intended approach with respect to the required working relationship with the Provincial Auditor;
- A profile of the firm, which should include its Canadian and Saskatchewan practices (may not have all of these if they are a local firm) and what resources they can call upon within their network;
- An estimate of time budgets and a description of the fee structure. Fees may be fixed for the full five-year term or contain escalation provisions on some rational basis. Fee proposals should include estimates for out-of-pocket expenses;

- Resumés for all senior personnel involved in the audit. This should include all Partners and Managers assigned to the audit. A description should be provided on how continuity will be maintained in the event of the departure or reassignment of any audit personnel;
- A description of how the audit firm would manage the transition of the audit to its firm (if applicable); and,
- Any other information the audit firm feels would be useful in the assessment of the RFP.

CEO/CFO Certification Policy

Issue Date: September, 2007
Revised Date: November 14, 2019

Authority:

The Crown Corporations Act, 1993
CIC Board Minute # 182/2008

Applicability:

This policy applies to CIC and all CIC subsidiary Crown corporations.

Purpose:

The policy ensures CIC and its subsidiary Crown corporations have a system for the CEO/CFO financial statement certification in the Crown Sector based to improve the quality, reliability and transparency of Crown annual and quarterly reports.

Policy Statement and Process:

In the interests of public accountability, CIC and its subsidiary Crown corporations certify their Internal Controls Over Financial Reporting (ICOFR) using a recognized internal controls framework (ex. Committee of Sponsoring Organizations of the Treadway Commission [COSO], Chartered Professional Accountants of Canada Criteria of Control [CoCo]). The Crown corporations are required to insert a "Statement of Management Responsibility" in each annual report that includes CEO and CFO attestation of the following:

- That the financial statements are fairly presented, in all material respects, and do not contain any misrepresentations;
- That the Crown corporation has designed and implemented internal controls over financial reporting and disclosure controls and procedures that are appropriate to the circumstances of the organization; and
- That, if applicable, any material deficiencies, to either internal financial reporting or disclosure controls have been disclosed, particularly those that could lead to material misstatements or important information going unreported.

The certification is required yearly as part of each Crown corporation's respective annual report tabled in the Saskatchewan Legislature. The certification requirement is based on NI 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, which sets out disclosure and filing requirements for reporting issuers. The objective of the certification requirement is to improve the quality, reliability and transparency of Crown corporation annual and quarterly reports.

Background:

CEO/CFO financial statement certification is expected to derive the following benefits:

- Provide the Crown corporations with a framework to codify best practices in governance, enhancing management's responsibility with respect to ICOFR;
- Improve the system of internal controls (better controls, increased awareness of controls, and better documentation);
- Improve internal processes (standardize controls, remove redundancies, streamline systems);
- Improve transparency and accountability;
- Provide greater public confidence in the reporting functions of the Crown corporations; and
- Advance the sector's goal to meet or exceed corporate governance best practices and public sector accountability and transparency.

General Provisions:

The ongoing certification program is the responsibility of management and the corporation's Board of Directors. The Crown corporation's Internal Audit function will independently assess the effectiveness of management's processes including providing assessments on control effectiveness for ICOFR and disclosure controls.

Administrative Information:

Contact:
Owner: Corporate Controller, Finance & Administration Division, CIC, 306-787-7264
Executive Sponsor: Vice President & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: November 14, 2019

Public Reporting Guidelines

Issue Date: January 1, 2003
Revised Date: December 2, 2019

Authority:

The Crown Corporations Act, 1993
CIC Board Minute Number # 31/2004

Applicability:

This policy is applicable to CIC and its subsidiary Crown corporations.

Purpose:

The policy ensures that CIC and its subsidiary Crown corporations provide disclosure on par with other publically accountable entities.

Policy Statements:

CIC and each subsidiary Crown corporation will prepare a public financial performance report for each of the first three quarters of the fiscal year (e.g. June 30, September 30, and December 31).

A separate fourth quarter report is not required, due to logistical and timing considerations relating to the release of the annual reports.

Background:

In the interests of public accountability and transparency, the CIC Crown corporations are required to publish quarterly reports.

General Provisions:

Financial information provided in quarterly reports should meet the minimum reporting and disclosure requirements of International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. The standard outlines the minimum standard intended to balance the timelines and cost of interim reporting with the reporting and disclosure of information sufficient to provide users with an understanding of the changes in an organization's financial position and performance since the end of its most recently completed fiscal year. IAS 34 requires interim financial statements to follow the form and content of an organization's most recent annual financial statements, where applicable (i.e., exceptions apply in instances where there are new or changed accounting policies).

The public quarterly reports must also include an abbreviated management discussion and analysis that is consistent with guidance included in the *CPA Canada Handbook, Management's Discussion & Analysis*.

Timing

CIC subsidiary Crown corporations shall report their quarterly financial report within sixty days of the period end. CIC will report consolidated results within seventy-five days of the period end.

Crown corporations must seek approval of their quarterly reports from their Boards of Directors before public release of their quarterly reports.

Distribution

Each Crown corporation is responsible for the preparation and distribution of its quarterly financial performance information. This consists of posting information on the corporate website and providing hard copies upon request.

Crown corporations are responsible for determining hard copy distribution of quarterly reports.

Audit Involvement

CIC, Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation, SaskEnergy Incorporated, and Saskatchewan Government Insurance are required to have auditor reviews of their quarterly financial statements. All other CIC subsidiary Crown corporations are not required to have their financial reports reviewed by their external auditor, however the Crown corporation may be required to have an external auditor review if directed by its Board of Directors.

The purpose of the auditor review is to provide the Boards of Directors and users of the financial statements comfort that the auditors are not aware of any material misstatements to the quarterly financial statements. The reviews also provide the auditors with a better understanding of the organization and the transactions entered into during the year. This understanding helps year-end audits run more efficiently and with fewer issues to be resolved. The quarterly auditor review reports are not made public.

Administrative Information:

Contact:
Owner: Corporate Controller, Finance & Administration Division, CIC, 306-787-7264
Executive Sponsor: Vice President & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: December 2, 2019

Reporting of Losses Policy

Issue Date: September 14, 2006
Revised Date: September 12, 2019

Authority:

The Crown Corporations Act, 1993
CIC Board Minute # 156/2006

Applicability:

The policy applies to CIC and its subsidiary corporations.

Purpose:

The purpose of this policy is to:

- Ensure the implementation of practices that will enhance public accountability and ensure the Crown sector is governed by appropriate corporate, ethical and moral principles.

Definitions:

Employees - Employees of the CIC Crown corporations include direct employees or other individuals such as consultants or contractors (i.e., contract employees) that are subject to corporate policies governing their behavior and actions. If the individual is not a direct employee of the Crown, judgment needs to be exercised in determining if they were subject to corporate policies governing their behavior and actions.

Reportable Incident - For the purposes of this policy, these are the incidents of theft, fraud and other losses of money or property for which reporting must occur. Reporting should occur when a Crown asset over $500 is lost due to actions that were unlawful, unethical, or intentionally misleading.

Policy Statements:

CIC and its subsidiary Crown corporations are responsible to establish systems of internal controls to mitigate the risk of and detect fraud or illegal activities, and to report instances to external auditors, the Provincial Auditor, Boards of Directors, and Ministers responsible.

In the interest of public accountability, all reportable incidents, perpetrated by employees of the corporations, must be disclosed to the Crown's Board of Directors, the CIC Board and the Minister responsible for the Crown corporation as soon as is practical or in accordance with currently established internal policies. Crown corporations are also required to report all incidents over $500 to the police.

Crown corporations are required to submit a report for any reportable incident, on a quarterly basis, to the Crown and Central Agencies Committee (the Committee). For a more detailed description, refer to the "Reporting Requirement" section.

Background:

CIC is committed to accountability and transparency for reportable incidents the Committee. At the same time, Executive Government is committed to regularly reporting to its legislative committee or, the Standing Committee on Public Accounts.

The CIC Crown sector's business practices are governed by appropriate corporate, ethical and moral values and principles. Saskatchewan Crown corporations are under continuous public scrutiny and the behavior of employees must be beyond reproach. It is imperative that the image of the Crown sector be one of integrity, professionalism, impartiality and fairness in its business dealings. Considerable trust and confidence are placed in all Crown sector employees.

Crown sector employees carry out and perform a wide variety of services and functions. It is the duty of every employee to exercise proper care and judgment in the course of his/her employment as well as good faith in all transactions involving the Crown corporations, Crown property or when acting as a Crown representative.

There is no system of financial and management controls that can prevent all incidents of fraud or illegal activity. An effective system of controls will seek to mitigate the risk of these incidents.

Crown corporations are responsible to determine appropriate human resource policies that outline the actions that will be taken against those who have perpetrated fraud.

The Crown corporations have formal systems of internal controls in place including:

- Internal audit functions;
- Audit and Finance Committees;
- Codes of Ethics and Conduct;
- Regular risk assessments; and
- Whistleblower policies and procedures.

The Policy is not intended to be exhaustive; the absence of specific reference to some issues, behaviors or actions should not be construed as approval for such behaviors or actions. Judgment is required by Crown corporations when assessing whether an incident has occurred and the appropriate time to report an incident (i.e. immediately or in the next quarterly report).

General Provisions:

Reporting Requirement

Incidents should be reported to the Committee when it has been determined that a loss has occurred and that it resulted from unlawful, unethical or intentionally misleading actions by an employee of CIC or its subsidiary Crown corporations. Crown corporations are responsible for using reasonable judgment in determining if there is sufficient, appropriate evidence that a fraudulent act has occurred prior to reporting the incident.

In the event that a loss is discovered, Crown corporations are required to:

- keep a record of the incident;
- notify the police for incidents over $500;
- report losses greater than $500 to their Boards of Directors;

- notify the Crown and Central Agencies Committee on a quarterly basis for incidents over $500, which CIC compiles on behalf of the Crowns; and
- make every reasonable effort to recover the loss.

On a quarterly basis, or sooner in the case of a material fraud, Crown corporations are required to submit a report to the Committee (through CIC as indicated below) detailing any incidents of theft, fraud or other losses of money or property over $500 that have been discovered during the previous three months. The report should include a description of the loss along with a general description of the relationship of the perpetrator with the Crown corporation (i.e. contract employee). In accordance with privacy laws, specific names of employees or the company of a contract employee, or any other information that might reveal the identity of the individual should not be used. The report should also describe the immediate action that was taken by the Crown corporation, the value of the lost asset, the date of occurrence, and any preventative or corrective measures that will be or have been taken in order to minimize the risk of similar occurrences in the future.

Incidents should continue to be reported in each quarterly report until:

- all related actions are complete and all reasonable attempts to recover the loss have been made;
- the police notify the Crown corporation that the incident is no longer under investigation; or
- the Crown corporation has followed up with the police, determined (based on the follow up conversation) that the loss is not likely to be investigated in the near-term, and consider the incident to be closed.

When CIC or its subsidiary Crown corporations have determined that a material fraud has occurred, the incident may be reported immediately rather than in the next quarterly report. Materiality is to be determined by each Crown corporation in reference to its own financial and operational parameters.

CIC is responsible to submit a summary report to the Committee on behalf of the Crown sector within 60 days of each quarter end, consistent with the release of other public quarterly reports.

Exclusions

This policy does not apply to incidents that occur due to unintentional mistakes or where items have been innocently misplaced. Employee education regarding corporate policies will help reduce the occurrence of these incidents.

Crown corporations are excluded from reporting incidents related to clients, customers, consultants or unrelated third parties (i.e. a fraudulent insurance claim by an SGI client or acts of vandalism by unrelated third parties need not be reported). A loss occurring as a result of unlawful or intentionally misleading actions by a related third party may be reportable where the related third party is required to comply with corporate policies (e.g. an IT consultant retained on a mid to long-term basis to help develop and implement a new system). If the individual is not a direct employee of the Crown, judgment needs to be exercised in determining if the individual is subject to corporate policies governing their behavior and actions.

A sample report has been included in Appendix A for reference purposes.

Administrative Information:

CIC will compile and provide a report to the committee on behalf of the Crown sector on a quarterly basis. Subsidiary Crown corporation reports should be submitted to the Vice President & Chief Financial Officer,

Finance & Administration Division of CIC within a time frame consistent with the quarterly reports in order to meet the 60 day deadline.

In the event that an incident that represents a material fraud is detected, the affected Crown corporation should contact the Vice President & Chief Financial Officer, Finance & Administration Division of CIC immediately and provide the appropriate information as set out in Appendix A and any additional information that may be required. A special report will be provided to the Committee by CIC in advance of the next quarterly report.

Contact:
Owner: Corporate Controller, Finance & Administration Division, CIC, 306-787-7264
Executive Sponsor: Vice President & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: September 12, 2019

Appendix A

Sample Report and Cover Letter

Date

Name
Vice President & Chief Financial Officer
Crown Investments Corporation
400-2400 College Avenue
S4P 1C8

Dear _____

RE: Q1 20XX-XX Report on losses

Please find attached SaskCrown's report on losses that occurred during the first quarter of 20XX-XX and ongoing investigation from previous quarters. If you have any further questions about any of the losses please contact _____ at _____.

Sincerely,

Name
Title, CIC Crown

Example

Crown Losses over $500 discovered during the _____ Quarter, 20__-__

Date of Occurrence	Description	Value	Action Taken	Corrective Measures
June 20XX – Feb. 20XX	An employee initiated and approved payments to vendors for goods and services which were not received by SaskCrown.	$10,000	The police were notified and the employee has been terminated.	An internal audit effectively revealed the misconduct.
January, 20XX	Employee forged letter and Manager's signature to bank in order to personally benefit.	$5,000	The police were notified and the employee has been terminated. Legal action is being taken in order to recover the funds.	An internal audit effectively revealed the misconduct.

EXAMPLE -- Update on Incidents Reported in Previous Quarters

Date of Occurrence	Description	Value	Status
November 10, 20XX	$520 was reported missing from petty cash	$520	The police were notified and produced a report for their records. They informed SaskCrown that there was insufficient evidence to proceed any further with an investigation and have informed SaskCrown that the investigation is no longer active. This will be the last report to the Committee for this incident unless additional information becomes available at a later date.

Tabling of Documents Policy

Issue Date: December 31, 1996
Revised Date: September 12, 2019

The Tabling of Documents Policy provides information on the tabling of subsidiary financial statements (Part A) as well as the tabling of information describing the incorporation of business corporations (Part B). This policy includes tabling requirements for financial statements and format approval.

Authority:

Crown Corporations Act, 1993
CIC Board Minute # 51/2003

Applicability:

This policy applies to CIC and its subsidiary corporations.

PART A: TABLING OF SUBSIDIARY FINANCIAL STATEMENTS

Purpose:

The purpose of this part is to:

- Ensure subsidiary corporation's annual reports are tabled in accordance with *The Crown Corporations Act, 1993.* The timing and release of the annual report will be coordinated with CIC.
- Outline the requirement for tabled subsidiary corporations' financial statements to have an external audit performed unless specifically exempted by CIC.
- Specify that subsidiary corporations' financial statements are subject to format approval by CIC as required by *The Financial Administration Act, 1993.*
- .
- Ensure all financial statements tabled will be made available to the public upon request.

Definitions:

Format Approval - Each CIC subsidiary corporation, through its external auditor, shall provide CIC with a copy of all financial statements to be tabled. Financial statements provided must have the format approved by CIC before these statements may be tabled with the Saskatchewan Legislative Assembly. Financial statements should be comparable to industry and must comply with International Financial Reporting Standards (IFRS).

Policy Statement:

Financial statements of all subsidiary corporations shall be tabled to ensure full public disclosure of all activities, unless exempted by CIC. Financial statements will receive format approval and be tabled with the Clerk of the Saskatchewan Legislative Assembly on a timeline consistent with CIC direction and *The Crown Corporations Act, 1993.*

All subsidiary corporations affected by confidentiality clauses, with no current operations, or with limited operations that are reflected in detail on the parent corporations' financial statements, may be exempted from tabling and format approval only by written request by the subsidiary Crown and a written exemption from CIC, annually.

Background:

All CIC Crown corporations are required by *The Crown Corporations Act, 1993*, to table an annual report with the Saskatchewan Legislative Assembly. To provide full disclosure of all activities of a CIC subsidiary corporation, CIC requires all Crown corporation subsidiary financial statements to also be tabled.

Administrative Information:

Contact:
Owner: Corporate Controller, Finance & Administration Division, CIC, 306-787-7264
Executive Sponsor: Vice President & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: September 12, 2019

PART B: TABLING OF INCORPORATION OF BUSINESS CORPORATIONS

Purpose:

To ensure all CIC Crown corporations provide full disclosure of all activities whether they are provided directly by the Crown corporation or through another operating entity.

Definitions:

Body corporate - Any corporate legal entity used to provide goods or services by the Crown corporation including share capital, limited partnerships and not-for-profit entities.

Policy Statements:

All CIC Crown corporations will lay before the Saskatchewan Legislative Assembly the body corporate being incorporated and the reason for incorporation to provide full disclosure of all activities of the Crown corporation.

All CIC Crown corporations will lay before the Saskatchewan Legislative Assembly a report outlining the name of the body corporate being incorporated and the reasons for the incorporation (Draft versions of the documents that need to be filed with the Legislative Assembly are in Appendices B.1, B.2a, B.2b)

All CIC Crown corporations will provide Notice of the incorporation of a body corporate to be published in the Saskatchewan Gazette (Draft versions of the documents that need to be filed with the Queen's Printer are in Appendices B.3a, B.3b).

The publication of the Notice in the Saskatchewan Gazette and the tabling of the report in the Legislative Assembly must be completed no later than 120 days after the incorporation of the body corporate.

Administrative Information:

Contact:
Owner: Corporate Controller, Finance & Administration Division, CIC, 306-787-7264
Executive Sponsor: Legal Counsel, Crown Services Division, CIC, 306-787-0542

APPENDIX B.1 – LETTER TO THE MINISTER

January 7, 20XX

Honourable _____,
Minister of Crown Investments
#____ Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Minister:

Re: Tabling of Documents under The Crown Corporations Act, 1993

Section 30 of The Crown Corporations Act, 1993 requires that where a Crown corporation incorporates a body corporate a notice must be tabled with the Legislature outlining the name of the body corporate and the reasons for its incorporation. In that regard, Crown Investments Corporation of Saskatchewan through its wholly owned subsidiary CIC Asset Management Inc. (CIC AMI) has incorporated the following for the purposes of providing an investment in Investment Corporation:

- CIC Saskcorp

Accordingly, notices of incorporation must be filed in the Legislature, and, to that end, I enclose the proposed filing document(s) and a letter for your execution. In addition, notice of incorporation of this corporation must be published in the Saskatchewan Gazette. Once the enclosed notice is tabled, I will submit the Gazette notice for publication. If you have any questions please call me at 306-787-5892.

Sincerely,

_____
General Counsel and Corporate Secretary
Crown Investments Corporation

Enclosures

APPENDIX B.2a – LETTER TO THE CLERK OF THE LEGISLATIVE ASSEMBLY

January 7, 20XX

Name
Clerk of the Legislative Assembly
#___ Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear_____:

Re: Tabling of Documents Under The Crown Corporations Act, 1993

Pursuant to section 30 of The Crown Corporations Act, 1993 and enclosed for tabling are the following document(s):

- Notice of the incorporation by Crown Investments Corporation of Saskatchewan (CIC) through its wholly owned subsidiary CIC Asset Management Inc. of CIC Saskcorp.

Sincerely,

Honourable
Minister of Crown Investments

Enclosures

APPENDIX B.2b – NOTICE TO LEGISLATIVE ASSEMBLY

N O T I C E

Pursuant to Section 30(3) of The Crown Corporations Act, 1993, Crown Investments Corporation of Saskatchewan, through its wholly owned subsidiary CIC Asset Management Inc., has caused to be incorporated a subsidiary called: CIC Saskcorp.

Reasons for Incorporation:

CIC Saskcorp was incorporated for the purposes of providing an investment in Investment Corporation.

APPENDIX B.3a – LETTER TO QUEEN"S PRINTER

January 7, 20XX

Name
Queen's Printer
3085 Albert Street
Regina, Saskatchewan
S4S 0B1

Dear :

Re: Notice of Incorporation under The Crown Corporations Act, 1993.

Pursuant to section 30(2) of The Crown Corporations Act, 1993, enclosed for publication in the Saskatchewan Gazette is the following document:

Notice of the incorporation by Crown Investments Corporation of Saskatchewan (CIC) through its wholly owned subsidiary CIC Asset Management Inc., of CIC SaskCorp.

Sincerely,

_____
General Counsel and Corporate Secretary
Crown Investments Corporation

Enclosures

APPENDIX B.3b – NOTICE OF INCORPORATION FOR QUEEN'S PRINTER

The Crown Corporations Act, 1993 [Section 30(2)]

NOTICE OF INCORPORATION

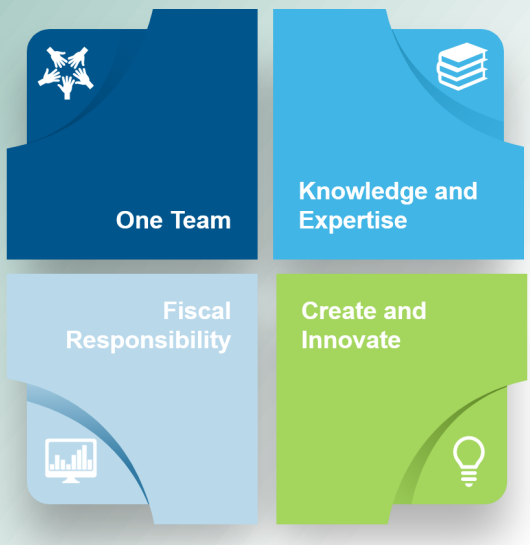
Pursuant to section 30(2) of The Crown Corporations Act, 1993, notice is hereby given that Crown Investments Corporation of Saskatchewan, through its wholly owned subsidiary CIC Asset Management Inc., has incorporated a body corporate described as CIC Saskcorp in the Province of Saskatchewan.

Dated at Regina, Saskatchewan, January 7, 20XX

_____

Minister of Crown Investments

Communications Policies



Crown Investments Corporation of Saskatchewan

Crown Sponsorship Policy

Issue Date: August 2012
Revised Date: September 12, 2019
Effective Date: September 2012

Authority:

Minister's Order April 2012

Applicability:

The policy applies to all sponsorship and donation activity by all CIC subsidiary Crown corporations.

Purpose:

To coordinate the sponsorship and donations activity of the Crown corporations to:

- limit total sponsorship spending to one per cent of earnings;
- reduce the number of organizations receiving support from more than one Crown corporation;
- broaden the geographic distribution of sponsorships;
- set aside money for sponsorship of major events; and,
- rotate spending to new organizations.

Policy Statement and Process:

From 2016 forward, the Crown corporations' sponsorship budgets will align with the "Imagine Canada" target of one per cent of net earnings.

Geographic allocation should meet the targets outlined in the "General Provisions" section of this policy.

Exceptions to this policy have been given to SaskTel, Lotteries and Gaming Saskatchewan and SGI Canada related to the competitive environments in which they do business. SaskPower and SaskEnergy have exemptions for sponsorship spending as part of their stakeholder relations.

Definitions:

Sponsorship – cash or in-kind contribution which is given in exchange for an equivalent degree of benefits or recognition.

Donation – considered to be pure philanthropy – giving for the sake of giving and expecting little or nothing in return.

General Provisions:

It is important that the Crown corporations be able to help portray the Government of Saskatchewan in a positive light through providing critical help to events and communities across the province. It is equally important that the needs of the community be balanced with the obligation to be responsible with taxpayers' money.

Geographic allocation of sponsorship dollars should be aimed at the following targets:

- 25 to 35% in Regina;
- 25 to 35% in Saskatoon; and,
- 25 to 35% elsewhere in Saskatchewan.

The exceptions to these allocations are:

- SaskPower for Saskatoon as that city is not a market area for SaskPower services; and,
- LGS/SaskGaming as their market area is primarily in and around Regina and Moose Jaw.

In addition, the following should be taken into consideration

- 15% of sponsorship should be for major events on a three-year rolling average;
- 10% of sponsorship funding each year should rotate to different organizations; and,
- Sponsorship of employee volunteer not-for-profit driven activities should be increased to maximize matching dollars.

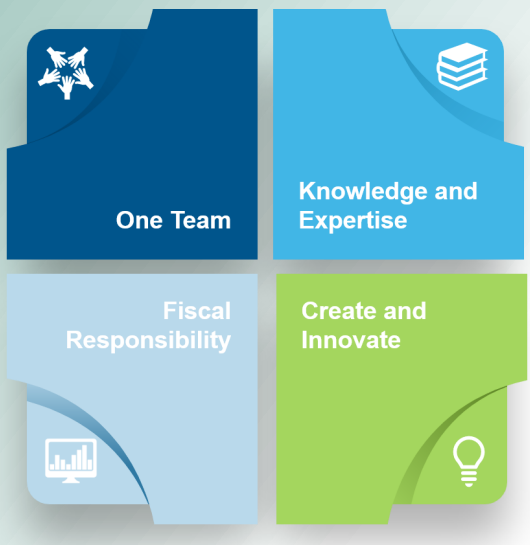
All multi-year agreements must be limited to no more than three years and must be approved by the President and CEO of Crown Investments Corporation before signing.

Administrative Information:

Contact:
Owner/Executive Sponsor: Executive Director of Communications, President's Division, CIC, 306-787-5889

Reviewed: September 12, 2019

Corporate Policies



CIC

Crown Investments Corporation of Saskatchewan

Decision-Making Matrix for CIC Subsidiary Crown Corporations

CIC's Decision-Making Matrix provides high-level guidance regarding the responsibilities, authorities and accountabilities for various public policy and business decisions affecting the Crown sector. The subsidiary Crown corporation boards and management rely on the Matrix to determine who has final authority to make decisions in prescribed areas.

	Crown Management	Crown Board	CIC Board	Cabinet	
Governance					
Appointment of External Auditors	Prepare	Recommend	**Approve**	**Approve**	P*
Crown Board Performance		Assess/**Approve**			Note 1
Crown Executive Performance	Assess/Approve	Review			
Enterprise Risk Management	Prepare	**Approve**	Review		P
Performance and Financial Management					
Public Policy Initiatives	Report	Report	Recommend	**Approve**	Note 2
Performance Management Plan	Prepare	**Approve**	**Approve**		Note 3 P
Balanced Scorecard	Prepare	**Approve**	**Approve**		
Dividend Payments	Prepare	**Approve**	**Approve**		Note 4 P
Capital Allocation	Prepare	Recommend	**Approve**		
Quarterly Performance Results	Report	**Approve**	Review		
Operations					
Sask First Investment	Report	Recommend	**Approve**	**Approve**	Note 5 P
Creation of Subsidiaries	Prepare	Recommend	Recommend	**Approve**	
Utility Rates (monopoly)	Prepare	Recommend	Recommend	**Approve**	P
Rates (non-monopoly)	Approve	Review			
Annual Report	Prepare	**Approve**			
Public Quarterly Financial Reports	Prepare	**Approve**			P
Business Practices/Processes	**Approve**	Review/Oversee			
Corporate Budget	Prepare	**Approve**			
Corporate Goals and Objectives	Prepare	**Approve**			
Crown Sector Human Resources					
Executive Compensation			**Approve**	Review	Note 6 P
CEO Salary Ranges		Recommend	**Approve**	Review	
Crown Executive Salary Ranges	Prepare	Recommend	**Approve**		
Out-of-Scope (OOS) Compensation Programs	Prepare	**Approve**	**Approve**		P
OOS Merit/Economic Increases			**Approve**	Review	
Collective Bargaining Mandate	Prepare	Recommend	Review	**Approve**	
Succession Plan	Prepare	**Approve**			Note 7

Notes:

1. Each Crown board will conduct performance evaluations annually, with the following assessments being undertaken in successive years: comprehensive board and board chair; committees and committee chairs; and individual director peer.
2. Each Crown corporation will report progress on public policy initiatives directed by the CIC Board and Cabinet.
3. Crown corporation performance management plans, and where applicable strategic and business plans, will be reviewed on an annual basis to ensure they align with the Crown sector strategic priorities. Crown corporation boards approve Performance Management Plans for their Crowns; the Plans for all Crowns are approved by the CIC Board, which has final decision-making authority.
4. Crown corporation boards make recommendations on dividend payments based on the Crown's specific business needs and within a framework established by CIC.
5. Crown corporations will focus on investment in Saskatchewan and out-of-province investments will not be approved unless they support in-province operations.
6. CIC has established guidelines for executive compensation, which includes tiers that determine pay ranges for all Crown executives, including the CEO, and a salary hold back framework. Crown boards approve compensation packages within the guidelines upon initial appointment of an individual to an executive position.
7. CIC is responsible for broad succession planning in the Crown sector; each Crown board is responsible for succession planning for the CEO; Crown CEOs, in consultation with the Crown board, are responsible for succession planning for Executive management..

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*** Denotes a CIC policy; CIC polices can be found at www.cicorp.sk.ca under Publications, Subsidiary Crown Policy Manual.**

Enterprise Risk Management (ERM) Minimum Standards

Issue Date: October 14, 2010
Revised Date: January 20, 2020

Authority

The Crown Corporations Act, 1993
CIC Board Minute - #138/2010

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

This policy establishes minimum Enterprise Risk Management (ERM) standards to be complied with, or exceeded, by those Crowns that submit Performance Management documents to the CIC Board of Directors.

The ERM minimum standards provide the following benefits:

- Establish a sector-wide framework to achieve consistency in ERM application between Crowns;
- Contribute value to Crown sector governance, decision making, and resource allocation processes through demonstration of alignment of key Crown risks with performance management plans;
- Provide ERM reporting to CIC to enable a better understanding of subsidiary risk profiles;
- Meet or exceed corporate governance best practices and public sector accountability and transparency requirements; and
- Contribute to enhancing and maintaining public confidence in Crown ERM functions.

Policy

Crowns must comply with, or exceed, the minimum standards for ERM outlined in Appendix A.

Administrative Information

Contact:
Owner: Director, Strategic Policy and Stakeholder Engagement, 306-787-0056
Executive Sponsor: Vice President, Crown Services Division, 306-787-1257

Reviewed: January 20, 2020

Appendix A

Enterprise Risk Management (ERM) Minimum Standards

Introduction

Background

This document sets out CIC's minimum standards for Crown sector ERM. Applicable CIC subsidiary Crown corporations (Crowns) should have ERM policies and frameworks in place that are materially consistent with these minimum standards.

Organization of this Document

The minimum standards are shown in this document: however, Crowns are not required to organize ERM in the same manner as presented, provided that overall compliance with the minimum standards can be demonstrated.

This document presents minimum standards with respect to ERM but is not intended to address all possibilities for policy and framework elements or options.

Crowns have flexibility to address CIC's minimum standards for ERM. Crowns are expected to maintain an ERM process that meets best practice in corporate governance while supporting effective decision making and resource allocation processes.

Certain ERM elements included in this document are considered leading practice that Crowns are encouraged to follow but are not mandatory minimum standards. For clarity, minimum standards that Crowns are required to follow are identified with the words "mandatory", "required", "shall", "must", and "will". Words such as "encouraged to" and "consider" indicate leading practices that are suggested but not required by the minimum standards.

Glossary

Term	Definition[1]
Enterprise-wide Risks	Risks may occur in defined categories such as: Financial, Mandate, Legal, Compliance and Reporting, Operational, and Reputational.
Critical Success Factors (CSFs)	A limited number of prerequisites and areas of dependency for a strategy or process to be successful. CSFs may be inputs, parallel or supporting activities, or aspects of a business's philosophy or infrastructure necessary to ensure that the strategy or process objectives are met.
Enterprise Risk Management (ERM)	ERM is an integrated enterprise-wide risk process established over time which links the management of strategic objectives to risk in order to improve corporate performance. It creates a formal process for managing the myriad of risks an organization faces. ERM is not the same as risk assessment but the assessment of risk is an integral part of an ERM process.
Inherent Risk	The possibility that risks will prevent an organization from achieving its objectives before the consideration of processes and controls in place to manage or mitigate the risks.
Key Performance Indicators (KPIs)	Key performance indicators (KPIs) are quantitative measurements, both financial and non-financial, of a process's ability to meet objectives and performance. KPIs are usually analyzed through trend analysis within a company or through benchmarking against a peer of the company or its industry.
Magnitude of Impact (sometimes referred to as consequence)	Significance of a particular risk to the entity. The significance of a particular risk can range from insignificant to catastrophic. Magnitude of impact is determined with respect to an organization's risk appetite, risk capacity, and organizational objectives.
Mitigate	To lessen or minimize the adverse impact of a risk through specific management processes or internal control activities.
Likelihood of Occurrence	Probability that a particular risk will occur. These probabilities range from rare to almost certain and are evaluated against an organization's set time period (the organization's strategic planning horizon).
Optimize	To balance potential risks versus potential opportunities within the organization's stated willingness or appetite and capacity to accept risk. This may require an organization to increase or decrease the amount of risk relative to the potential opportunity.
Residual Risk	Risk after considering the effectiveness of management's risk responses (i.e., processes and controls in place to manage or mitigate the risks).
Risk	Internal or external event, activity or situation that impacts an organization's ability to achieve goals.
Risk Appetite	Level of risk an organization is prepared to accept to achieve its goals and objectives (i.e., the level of tolerance for risk in an organization).
Risk Assessment	A risk assessment process allows organizations to consider the extent to which potential events may have an impact on the achievement of organizational objectives. Organizations typically need to identify, assess and evaluate risks and controls to construct an appropriate risk portfolio.
Risk Identification	The process of identifying and understanding potential risks.
Risk Management	The process of identifying, evaluating, selecting and implementing an action plan to avoid or mitigate threats and to leverage and maximize, where possible, risk opportunity.
Risk Monitoring	The process of reviewing and evaluating the effectiveness of the action plan implemented through the ERM process to minimize future reoccurrence of similar risk.
Risk Opportunity	The return which may be realized if risk is assumed but managed in a manner that maximizes its potential benefit.

[1] It is acknowledged that these terms may be defined differently by various sources. These definitions are presented for the purposes of interpreting this document and are not required to be utilized by Crowns.

ERM Authority and Governance

ERM is the responsibility of all Crown stakeholders and therefore must ultimately be embedded into everyday activities of the Crown corporation. It must be considered as part of every decision that is made, every objective that is set, and every process that is designed.

With respect to ERM governance, all Crown corporations are encouraged to design and implement a structure (i.e. clearly defined roles, accountabilities and responsibilities) that:

- Identifies and evaluates significant risks at each level of the enterprise;
- Documents and manages the response to key risks;
- Embeds accountability for ERM, thereby enhancing performance management and monitoring;
- Facilitates appropriate risk decisions at all levels of management;
- Communicates the risks and management's responses and priorities to all relevant staff; and
- Demonstrates the effectiveness of risk mitigation processes.

Minimum standards for ERM governance include:

- ERM must be "owned" by a member of Executive Management who is accountable for the execution of the ERM policy and framework. However, the "owner" is not required to personally execute the myriad of ERM activities. The "owner" can designate an individual (e.g. an enterprise risk and opportunities manager) or group (e.g. internal audit) to facilitate certain of ERM activities under the "owners" direction.
- The Board of Directors of each Crown corporation must take ultimate responsibility for ERM. The Board may delegate certain ERM activities to a Board committee for efficiency purposes but must remain ultimately responsible for ERM. This responsibility must be demonstrated via Board review and acceptance of at least the following items:
    - The Crown corporation's ERM policy and framework;
    - Management's risk appetite and tolerance levels;
    - Management's summary risk register as well as the assessment results for the Crown's top corporate-wide risks;
    - Management's list of processes and controls that are relied upon to mitigate the Crown corporation's top risks;
    - Management's identification of gaps where identified risks are either over-mitigated or under-mitigated. This includes identification of strategies to either close gaps where residual risk is higher than assessed risk appetite or to reallocate resources from areas where residual risk is lower than assessed risk appetite;
    - Management's identification of innovations/opportunities/upside leveraging related to risks identified;
    - Action plans to address risk mitigations identified as high priority by management; and
    - Regular reports from the Executive Management "owner".

ERM Policy

In order to provide legitimacy and formality to the process, Crown corporation's must include the ERM governance structure in a duly approved Corporate policy, including a timeframe for regular review and approval of the policy.

In addition, Crown corporation's are required to include formal recurring activities (e.g. monitoring activities and reporting requirements) and related timeframes in the ERM policy.
The ERM policy, and any future updates to the policy, must be formally approved by the Crown corporation's Executive Management and Board of Directors.

ERM Framework

Crown corporation's shall include detailed elements of ERM processes and practices (e.g. accepted definitions, risk categories, risk appetite, approach to risk management, assessment criteria, mitigation assessment criteria, tools and templates, monitoring and reporting practices, etc.) into a formal ERM framework. This documented framework contains significantly more detail about recurring ERM processes and practices than the ERM policy.

The Crown corporation's ERM framework, and any future updates to the framework, must be formally approved by the Crown's Executive Management and Board of Directors.

Approach to ERM

Use of Widely Accepted ERM Frameworks

Crown corporation's shall utilize an established ERM framework (for example COSO framework) as a guide when developing and evolving ERM processes and practices.

Risk Identification

There are several approaches utilized for identifying key risks:

- Top-down approach focuses on identifying enterprise-wide risks that affect an entity's strategic goals and objectives - usually includes direct involvement by senior management and the Board of Directors in the process.
- Bottom-up approach focuses on identifying key operational and tactical risks on a divisional or business unit basis.
- Hybrid approach: focuses on identifying key operational and tactical risks on a divisional or business unit basis then integrating results to derive the key enterprise-wide risks.

Crown corporations have the flexibility to choose the risk identification approach appropriate for its circumstances. However, each Crown corporation's identification process must ultimately produce an overall register that contains the Crown corporation's top enterprise-wide-risks.

When identifying top enterprise-wide risks, Crown corporation's shall consider:

- Current and future expected risks within its industry;
- Risks associated with recent internal changes in the business;
- Risks associated with external change;
- Provincial risks
- Legislative or regulatory risks; and
- Root causes for the risks (i.e. the source of the risk, including why, how, and where it originates (either outside the organization or within its processes or activities).

Identification of risks occurs on an: (1) on-going basis for existing processes and; (2) ad-hoc basis for new processes or changes to existing processes.

Risk Assessment

A clear assessment of the most significant enterprise-wide risks allows the Crown corporation to focus management effort on those processes and controls required to address those risks.

- Requirement to Perform Risk Assessments

  Crown corporation's must assess all identifiable enterprise-wide risks in order to determine those most significant to corporate success. To add rigour and credibility to the results, Crowns must involve Executive Management in the assessment process, and must involve the Board of Directors.

- Requirement to Develop and Utilize Risk Assessment Criteria

  In order to assess risks in a consistent and meaningful manner, Crown corporation's must develop and utilize formal risk assessment criteria based upon both the magnitude of impact and likelihood of occurrence. Crowns have the flexibility to select the scale utilized in the assessment (e.g. High/Medium/Low, 3 point numeric, 5 point numeric, etc.).

- Inherent vs. Residual Risk Assessments

  Crown corporation's must perform risk assessments on both an inherent and residual basis in order to achieve maximum value from the process. The difference between the inherent ranking and residual ranking for a risk serves as a tool for management to determine the effectiveness of mitigating processes and controls in managing the related risk exposure.

  Once the relationship between a Crown corporation's key risks and mitigations is better understood, management can begin to identify areas where: i) mitigating processes and controls are being heavily relied upon to manage certain risks; ii) there may be insufficient or ineffective processes and controls in place to manage certain risks; and iii) risks may be over-controlled given the inherent risk profile (i.e. fewer controls may be necessary and resources reallocated to areas facing greater risk).

Additional Information to be Captured and Reported

- Mitigating Processes and Controls

  For the enterprise-wide risks, Crown corporation's must identify key mitigation processes and controls in place to manage those risks. This should include information about what is actually being done to manage the risk and should include only those mitigations that are demonstrably managed and clearly related to the risk in question.

  Crown corporation's must also assess the effectiveness of the key mitigations to understand the difference between inherent and residual risk. The mitigation effectiveness assessment should be based upon formal criteria developed by the Crown corporation and may include: testing by management; a self-assessment process; involvement of internal audit; development and monitoring of relevant critical success factors (CSFs) or key performance indicators (KPIs); or another acceptable means of evaluation.

  Crown corporation's are required to include information on mitigating controls and processes directly within the summary risk register.

- Identification of Risk Owners

  In order to allocate responsibility for the continuous management of each risk, all Crown corporation's are required to designate explicit "owners" for the top enterprise-wide risks, including corresponding key mitigating risk controls and processes.
  Crown corporation's are required to include this information directly within the summary risk register.

  Crown corporation's are encouraged to avoid delegating multiple "owners" for individual risks and mitigations given the potential to blur primary responsibility and accountability.

- Strategies to Address Key Risks Not Sufficiently Mitigated

  Once desired levels of control effectiveness are determined, any material gaps between existing and desired control effectiveness must result in an action plan to address the gap. Key risks that are not sufficiently mitigated must be disclosed to Executive Management and the Board of Directors, and formal strategies must be developed to address gaps over an appropriate time period.

  Crown corporation's must document in a risk register or a supporting document whether the enterprise-wide risks are sufficiently managed and any related action plans. The action plans must be unambiguous and should provide target dates and names of responsible persons.

  Any significant event that results in a mitigated risk not being sufficiently mitigated and has a significant impact on the Crown, must be reported to the Crown Board of Directors and CIC Board of Directors

Timing of Risk Assessments

Unless there is some unavoidable reason that would make doing so impracticable, Crown corporation's shall update the risk identification and assessment results at least annually in order to validate or update the prioritized summary risk register.

Ongoing Monitoring

Crown corporation's must perform semi-annual, formal, high-level reviews of the summary risk register to identify and evaluate new or changed risks, or mitigations and report the results to Executive Management and the Board of Directors. Such a monitoring process helps ensure that risks are being analyzed to identify patterns and accumulations and ensure that enterprise-wide responses are effectively planned and implemented where necessary.

Crown corporation's must determine if any KPIs can be utilized to monitor risk trends on an ongoing basis.

Risk Appetite

Risk appetite is defined as the level of risk an organization is prepared to accept to achieve its goals and objectives (i.e. the level of tolerance for risk in an organization). In other words, at what point does a risk become serious enough for an organization to start committing additional time and effort into its management? For example:

- If a risk is assessed as above an organization's risk tolerance, the typical management strategy is to either implement action plans in order to reduce the impact or likelihood of the risk (i.e. implement additional mitigating processes or controls) or avoid the risk (i.e. exit the underlying business line).

- If a risk is assessed as below an organization's risk tolerance, there is an opportunity for management to discontinue mitigating processes or controls that exist solely to manage this risk and reallocate the resources to more value-added activities.

Overall Risk Tolerance Limits

Crown corporation's will discuss risk appetite with Executive Management and the Board of Directors and establish risk tolerance limits that assist in determining whether a situation is unacceptable, or requires specific management and monitoring.
Some organizations have attempted to address overall risk tolerance limits by establishing a risk assessment rating above which specific actions are required to be undertaken thereby ensuring that the highest ranked risks are sufficiently managed. For example:

- An organization uses a 5-point scale when ranking the impact and likelihood of its risks, and then multiplies the impact and likelihood results to determine a risk's final ranking (maximum score 25). The organization determines that any risk with a score of 20 or higher must be "owned" by a Vice President, related mitigations must be reviewed by internal audit, and there must be specific reporting to the Executive and the Crown Board of Directors on a semi-annual basis.

Risk-specific Risk Tolerance Limits

Crown corporation's that find it impracticable to establish overall risk tolerance limits are encouraged to establish and monitor specific risk tolerance limits for the highest ranked key risks. To achieve this, some organizations establish and monitor critical success factors (CFSs) or key performance indicators (KPIs) for specific risks to determine how well the risk is being managed. For example:

- To address customer service risk, a target on-time completion of customer projects of 98 per cent is set, with the acceptable level of variation between 97-100 per cent.
  The on-time completion rates are regularly monitored to determine if the risk is being appropriately managed.
- To address risks related to employee turnover and succession, an organization establishes targets of 3 per cent annual voluntary turnover and filling 75 per cent of vacant key positions by individuals identified in the succession plan. It then monitors these KPIs to determine if the risk is being appropriately managed.

Approval of Risk Appetite

Crown corporation's must receive the following approvals in cases where formal risk tolerance limits are established:

- Overall risk tolerance limits that apply to all risks or to certain broad risk categories must be documented in the risk framework (which must then be approved by Executive Management and the Board of Directors).
- Risk tolerance limits that apply to specific high-ranked risks must be approved by the designated risk "owners" and Executive Management.

Reporting

Internal Reporting

- Crown corporation's will develop a process to communicate risk assessment results (e.g. the summary risk register, corresponding mitigations, and mitigation owners) throughout the organization, so that all staff understand key enterprise-wide risks and appreciate their role in managing them.
  Mandatory Internal Reporting

Crown corporation's must adhere to the following minimum reporting standards regarding internal risk reporting (Crowns may determine the format of the reporting, as long as the required elements are included):

Reporting Assessment Results: Upon the completion of the assessment process, Crown corporation's must report at least the following to Executive Management and the Board of Directors:

- The summary risk register;
- The corresponding key risk mitigation processes or controls;
- The designated risk and control owners;
- Management's assessment of the effectiveness of the key risk mitigation processes or controls; and
- Any strategies/action plans that were developed to address key risks that were determined to be insufficiently mitigated.

Status Reporting for Specific ERM Strategies: For any strategies/action plans, the owner must provide status reporting to Executive Management at least semi-annually.

Situational Ad Hoc Reporting: Ad hoc risk reports are required to be submitted to Executive Management and the Board when:

- New key enterprise-wide risks have materialized between regular assessment and monitoring periods, and material changes to the risk or mitigation landscape across the Crown corporation are identified; and
- Material breakdowns in key mitigation processes or controls are identified.

Verbal discussion and/or informal reporting of the above situations are not considered sufficient.

External Reporting

All Crown corporation's must adhere to the following reporting standards regarding external reporting:

- Reporting to CIC

  All Crown corporation's must provide CIC with a copy of:
  - ERM reporting packages provided to the Crown Board of Directors (must be provided within one week after the Board meeting where the report was presented); and
  - Any ad hoc reports relating to material breakdowns in key mitigating processes or controls (must be provided immediately after the Executive meeting where the report was presented).

- Reporting in the Annual Report

  Crown corporation's are required to ensure any discussion of ERM within the Management Discussion and Analysis is consistent with annual ERM results.

- Reporting in the Balanced Scorecard

  Crown corporation's must consider if Balanced Scorecard measures related to ERM would be an effective addition to the performance management system.

Integration into the Planning and Decision-Making Process

Business Planning Process

Crown corporation's shall ensure that the top enterprise-wide risks, corresponding mitigating processes and controls, and related action plans are formally discussed and considered during the development of the corporate business plan, as well as any business unit/divisional business plans.

Budgeting Process

Crown corporation's shall formally integrate ERM results into the budgeting process. The benefits of doing so include:

- Helping to ensure that any requests for additional funding are viewed through an ERM lens (i.e. if there is competition for scarce resources, activities that mitigate key enterprise-wide risks would typically get priority).
- Helping to ensure that any requirements to reduce costs are viewed through an ERM lens (i.e. do not eliminate activities that mitigate key enterprise-wide risks without careful consideration).
- Helping to ensure that budget is secured for any strategies that have been developed to address key risks that are not being sufficiently mitigated.

Internal Audit Process

Crown corporation's should link ERM with Internal Audit to assist in management's assessment of the effectiveness of risk mitigation processes and controls (which in turn affects the accuracy of residual risk assessments).
Crown corporation's shall ensure that:

- Internal Audit is provided with the annual ERM results (e.g. provide a copy of the report presented to Executive Management and Crown Board of Directors) for consideration when drafting his or her annual internal audit plan.
- Internal Audit must demonstrate to Executive Management how his or her annual internal audit plan takes into account the ERM results.

Government of Saskatchewan: Executive Council

Screening Policy and Procedures for Appointed Boards, Agencies, Commissions and Housing Authorities

May 30, 2019

Purpose

The Government of Saskatchewan (GOS) protects the public interest in the delivery of public services by requiring that all Order-in-Council (OC) and Minister's Order (MO) appointees of Agencies, Boards and Commissions (ABC's) and the Saskatchewan Housing Authorities (SHA) complete the required screening process prior to appointment.

Policy Guidelines

1. Positions Requiring Screening

In accordance with Cabinet Direction, effective immediately, satisfactory police Criminal Record Checks (CRCs) are required for all individuals prior to being newly appointed or re-appointed to government ABC's or SHA's via OC or MO appointments.

Those individuals currently serving appointments will be required to complete a CRC within six months. If the appointee does not consent to a CRC, the GOS will not make the appointment or will remove the existing member from the appointed position.

Appointees are also required to self-declare if they are charged or convicted of a criminal offence during the course of their appointment. A new CRC is required with each subsequent reappointment.

2. Information Collection

Minimal personal information will be collected including: name, address, email address, phone numbers and details of any criminal convictions only.

Potential appointees will provide consent to collect the CRC information through an online portal.

- The results of the CRC's for ABC's will be provided to the ABC Coordinator of Executive Council (EC).

- The results of the CRC's for SHA's will be provided to the Chief of Staff of the Minister Responsible for the Saskatchewan Housing Corporation (SHC).

Frequency of Screening

Term length of appointments can be anywhere from one year to six years. The CRC will be valid for the duration of their appointment. A new CRC is required with each subsequent reappointment.

In addition, all appointees are required to report any charges or convictions as soon as reasonably possible, should they occur during the course of their term with the GOS.

All CRC results must be current which means completed within 6 weeks prior to appointment.

3. Process for Screening Appointees

The applicable GOS Ministry, Agency, Crown or Corporation will ask the potential appointee for consent to conduct a basic CRC prior to making the (re)appointment.

After the potential appointee consents to and provides their personal information, results will be reviewed by the ABC Coordinator of EC or the Chief of Staff of the Minister Responsible for the SHC.

Based on the results of the screening process, additional review may be required.

The ABC Coordinator in EC is responsible for the implementation of the CRC screening process for ABC's.

The Chief of Staff of the Minister Responsible for the SHC is responsible for implementation of the CRC screening process for SHA's.

The EC contacts do not have direct access to the federal Canadian Police Information Centre's (CPIC) central database. EC contracts with a vendor to perform CRC's on their behalf.

4. Satisfactory CRC's

A satisfactory CRC is either:

- An indication from the police that no criminal record/charges exist or;
- An indication from the police that a criminal record/charge does exist and has been assessed.

Assessing relevance of criminal convictions or charges identified on the CRC

In assessing the relevance of criminal convictions or charges identified on the CRC prior to appointment, various factors will be considered including:

- The relationship of the offence(s) to the level and nature of the position assignment;
- The number and nature of the charges/convictions;
- When the offence(s) occurred; and
- What the person has done in the intervening period.

The GOS may choose to change (or not change) the appointment status of a potential appointee because s/he has been charged with, or convicted of, an offence of a type which does not pose a risk to the GOS. Duties of the appointed position will be considered in this process.

Assessing relevance of charges and/or convictions subsequent to appointment

As soon as an appointee becomes aware that s/he is charged with an offence under *The Criminal Code of Canada* and/or *The Controlled Drugs and Substances Act*; then s/he shall report such charge, as soon as reasonably possible, to the Minister responsible through the normal chain of command. Failure to report the charge or conviction as soon as reasonably possible may result in removal from an appointed position.

5. Payment for CRC's

EC and/or the applicable Ministry responsible for the ABC's/SHA's will pay for all CRC's. The vendor will directly invoice the applicable Ministry/Crown for the number of CRC's completed in the system for their applicable appointments.

6. Safeguarding Personal Information

EC has established policies and procedures to maintain physical, administrative and technical safeguards:

A. Physical

Individuals with access to CRC results will abide by the *Government of Saskatchewan's Clean Desk Security Policy.*

Any paper copies containing personal information will be retained in a locked file cabinet by the ABC Coordinator/Chief of Staff of the Minister Responsible for the SHC for the term of the appointment. The individuals in these positions will be the only people who have access to the documents and the secured cabinet. Any paper records will be filed upon receipt and when the individual's term of appointment is cancelled or the member resigns (either by OC or MO), the record will be removed from the file and will be immediately shredded.

If documents are being sent via mail, it is recommended that a return envelope marked confidential be included to ensure the privacy of personal information upon submission to EC.

B. Administrative

Information collected for each appointee will include name, physical address, email address, phone number and whether there is or is not a criminal conviction on file. The information for the police CRC's will be collected online through the vendor's website.

Should further contact be required with the appointee to clarify the results, the ABC Coordinator or the Chief of Staff Responsible for the SHC will make contact by phone to obtain more details and confirm accuracy.

Should there be a staffing change within EC, the policy and training would be provided to replacement staff.

C. Technical

An information management service provider has been engaged to provide the necessary services. If there is a change to the service provider, EC will ensure the requirements of the *Freedom of Information Privacy and Protection Act* and *Regulations* are met and abided by on an ongoing basis.

In addition, the service provider is expected to comply with the following Acts and policies:

- Canadian Criminal Records Act;
- Government of Saskatchewan Executive Council: Screening Policy and Procedures for Appointed Boards, Agencies, Commissions and Housing Authorities; and,
- The Archives and Public Records Management Act.

The service provider is required to have an established protocol to ensure that personal data is secure and not retained beyond the time required to complete screening process.

Information Security

Services are expected to be delivered in accordance with the service provider's established information security policies, standards, and controls which are no less rigorous than those established by the GOS.

The GOS Information Security Policies, Standards, and Specifications can be reviewed at: https://taskroom.sp.saskatchewan.ca/how-do-i/get-it-support/it-security

The following information security requirements have been put in place with the service provider for all online CRC's:

- A single point of contact for security-related events. In the event that the contact is an individual, a secondary contact or escalation point has been identified;
- The GOS reserves the right to conduct periodic information security audits and assessments, such as a Threat Risk Assessment (TRA) of the service provider and its solution and/or services; any issues identified in the TRA which represent risk that EC is not willing to accept will be expected to be addressed by the vendor;
- Due to the sensitivity of the information collected and stored as part of the service delivery, the services must ensure that all data at-rest, including data backups, remains in Canada at all times;
- The services must ensure, to the extent possible and feasible, that all data in-transit, including data backups, remain in Canada at all times;
- The services must ensure that all data at-rest and in-transit, including data backups, is encrypted end-to-end at all times;
- The services must ensure that data access and any support or administration of systems containing the data is facilitated by multi-factor authentication;
- The services must support authentication information passing in a secure manner between end-point and authentication source;
- The services must have the ability to encrypt data for data transfers between any application and database servers; and

- The services must accommodate separation of the data from the data of other customers.

Periodic Information Security Audits

Annual assessments will be completed by EC's Privacy Officer to ensure compliance with all aspects of the policy and procedures to eliminate privacy risks associated with the collection, use, disclosure and retention of personal information.

* The governing authority for this policy is the *Freedom of Information and the Protection of Privacy Act* and *Regulations.*

Grants-in-Lieu of Property Taxes

Issue Date: September 12, 2018

Revised: June 1, 2020

Authority:

The Crown Corporations Act, 1993

Applicability:

This policy is applicable to CIC and all CIC subsidiary Crown corporations. It is effective fiscal 2018-19 with payments being made for the 2018 calendar year. Retroactive payments will not be made for years prior to 2018.

Purpose:

The objective of this policy is to:

- Define what properties will be subject to grants-in-lieu of property tax payments; and,
- Outline a dispute resolution process for concerns regarding eligible properties and property assessments.

Definitions:

Eligible Property – A property that meets the conditions outlined in this policy allowing a Crown corporation to make a grant-in-lieu of property tax payment to the municipality where the property is located.

Linear Real Estate Asset – All assets and property associated with, or incidental to, the operation of a generation, transmission, distribution, treatment, information or communication facility, system, or network.

Non-Linear Real Estate Asset – A standalone property that is not part of, or directly related to the operation of, a generation, transmission, distribution, treatment, information or communication facility, system, or network.

Policy Statements:

CIC and all CIC subsidiary Crown corporations shall make grants-in-lieu of property tax payments to municipalities for all owned, non-linear real estate assets in Saskatchewan. These payments are to be based on the property's taxable assessment and applicable mill rates. Taxable assessment and mill rates are determined by the assessor and municipality in the same manner as for any taxable property.

Background:

As an agent of the Crown, Crown corporations are not taxable and therefore do not pay property taxes. Instead, Crown corporations compensate municipalities for the services they provide through grants-in-lieu of property tax payments. Grants-in-lieu payments are based on policy, not legislation.

This policy does not change the non-taxable status of the Crown corporations as the payments being made are not actual tax payments.

General Provisions:

Grants-in-lieu of property tax payments made across the Crown sector for eligible properties will be based on property assessments and mill rates. The payments will be made for all eligible property where the Crown corporation receives a grants-in-lieu of tax notice.

Eligibility of Properties

Crown corporations will only make grants-in-lieu payments for owned, non-linear real estate assets. The discussion below does not include every type of property owned by a Crown corporation; however, it provides various examples on which to base the decision for other types of properties.

Properties that are exempt from taxation for a taxable property owner under *The Cities Act*, *The Municipalities Act*, or *The Northern Municipalities Act, 2010* are not eligible for a grant-in-lieu property tax payment from a Crown corporation.

Buildings and Land

For the purpose of this policy, all owned, non-linear assets are eligible. This includes properties such as standalone office buildings, parking lots, and warehouse space.

In addition, land that is not directly related to a linear asset, is eligible. This includes urban and rural bare land, gravel pits, and landfills.

If a property type is exempt from property taxes it is not eligible for a grant-in-lieu payment.

Properties that are not eligible include any owned, linear real estate assets. The buildings (offices, warehouses, storage space, etc.), parking lots and facilities directly or incidentally involved with generation, transmission, distribution, treatment, and communication are part of the linear asset.

Examples of these types of linear assets include:

- pipelines;
- power generation stations;
- water treatment plants;
- pump stations;
- compressor stations;
- information and telecommunication towers located on public right of ways or easements;
- fibre; and,
- light standards.

Land that is directly related to a linear asset is also part of the linear asset and so is not eligible. This includes land where a generation, transmission, distribution, or treatment facility is located as well as land owned due to the location of an underground storage facility, land purchased with the intent to be used for coal mining, land purchased with the intent to develop a linear asset, and reservoir lands.

Leased Property

Arrangements related to how property tax, or grants-in-lieu of property tax, payments will be paid to a municipality for property leased by or from a Crown corporation will be made at the discretion of the lessee and the lessor.

Contaminated Sites

Land and buildings that are not related to a linear asset but are contaminated are eligible for a grants-in-lieu payment. However, if the contaminated site is related to a linear asset, the site is not eligible for a grants-in-lieu payment. An example that would not be eligible would be a diesel generating site that is no longer operating. Once remediation of the site has been completed and the site is no longer related to a linear network, the site would be eligible for a grants-in-lieu payment.

Crown Corporation Specific Considerations

SaskTel – Although part of a linear network, SaskTel has historically made grants-in-lieu payments for any improvements related to its cell towers, urban switching centres, and community dial offices on land that it owns. These payments will continue for any existing properties and will be made for any new properties that fit into these categories going forward. Land purchased with the intent to construct these facilities will also continue to be eligible for a grants-in-lieu payment.

Payment Timing

Crown corporations will, to the best of their ability, make grants-in-lieu of property tax payments within the calendar year that a grants-in-lieu of taxes notice is received. As the payments are grants-in-lieu, not actual taxes, the Crown corporations cannot be considered in arrears on taxes and cannot be subject to any penalties for late payment. Payments shall be made in a timely manner upon receipt of a grant-in-lieu of tax notice.

Going forward, retroactive payments will not be made for a given year if a municipality does not issue a grants-in-lieu of tax notice to a Crown corporation for that year regardless if a grants-in-lieu payment was made in the previous year.

If a municipality does not receive payment by December 31 of any given year, it is the responsibility of the municipality to follow up with the Crown corporation within a reasonable timeframe (e.g. one month) to inquire on the status of payment.

Dispute Resolution

Eligibility – If there is a dispute between a Crown corporation and a municipality on whether a property is eligible for a grant-in-lieu payment, and discussions between the two parties cannot reach an agreement, CIC can be requested to provide an interpretation of the policy. Both the Crown corporation and the municipality will be given the opportunity to submit their reasoning for why the property should, or should not, be eligible for a grant-in-lieu payment under this policy. CIC's interpretation will be approved by the General Counsel or designate and will be based on the description of the property provided by the Crown corporation, the reasoning provided by both parties, this policy, and any relevant Acts. Where there is a difference in eligibility between property tax law for taxable entities and this policy, the position outlined in this policy will be followed as the payments are grants-in-lieu of property taxes not actual property taxes. Submissions should be sent to info@cicorp.sk.ca to the attention of the Director, Strategic Policy and Stakeholder Engagement.

Assessments – If there is a dispute between a Crown corporation and a municipality on an assessment, the corporation is to follow the same appeal process available for any taxable property owner. This process is laid out in *The Cities Act*, *The Municipalities Act*, and *The Northern Municipalities Act, 2010*.

Administrative Information:

Owner: Director, Strategic Policy and Stakeholder Engagement, CIC (306) 787-0056
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Pandemic Preparedness Planning Guidelines

Issue Date: February 8, 2010

Authority

The Emergency Planning Act
The Saskatchewan Public Safety Agency Act
The Cabinet Directive on Provincial Emergency Planning (c. 1999)
CIC Board Minute - #010/2010

Applicability

These guidelines are applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

The purpose of these guidelines are to support CIC and CIC subsidiary Crown corporations in maintaining Crown specific pandemic preparedness plans. The plans are to help provide a safe and healthy workplace for all employees. Pandemic planning is an element of effective emergency preparedness planning, business continuity planning and overall response to a pandemic outbreak. The guidelines are intended to help prepare the organization to effectively face an emergency pandemic situation (see Appendix A). These guidelines do not offer detailed information about organizational pandemic planning. They are intended to assist pandemic planners with formulating inclusive, flexible and adaptive plans that are tailored to the unique business circumstances of individual Crown corporations. Effective pandemic planning should maintain the ability of the Crown to limit disruption, respond efficiently and recover effectively in the event of a pandemic.

Policy Statements

All Government of Saskatchewan Ministries, Agencies and Crown corporations are mandated to develop internal emergency preparedness plans in accordance with *The Cabinet Directive on Provincial Emergency Planning* (c. 1999). Consistent with this mandate CIC and all CIC subsidiary Crown corporations are to complete and maintain comprehensive pandemic preparedness plans that will enable the Crown corporation to maintain, to whatever extent is reasonable under the circumstances, the services core to the Crown's business mandate.

The Crown's pandemic preparedness plan will offer an overview of the pandemic influenza threat including the characteristics of a pandemic influenza, the differences from the seasonal influenza, some discussion about vaccines and anti-viral agents, and preventative measures that individuals can take to possibly slow the transmission of pandemic influenza (e.g. social distancing, self- monitoring, self-isolation, frequent and proper hand washing, and coughing etiquette). The website Saskatchewan.ca will be a relevant source of information to maintain the Crown's pandemic plan. This part of the plan may also refer to international, national, provincial and local perspectives on characterizing the different phases of a pandemic, and acknowledge that the Crown corporation pandemic preparedness plan is primarily informed by key health information provided by (a) the Saskatchewan Ministry of Health, (b) Health Canada and (c) Saskatchewan Public Safety Agency (Provincial Emergency Operations Center).

Crown corporations provide a suite of goods and services to Saskatchewan people. Some of these services, including water, electricity, natural gas, and telecommunications, are basic and integral to the proper functioning of society. With health and safety issues broadly described in the plan, the main part of the Crown corporation's pandemic preparedness plan should address business continuity, identifying the business's key functions and the key personnel in charge of those functions. Within each key functional area, plans should describe detailed departmental and business unit plans recognizing any critical linkages across functional areas. Plans should also identify contingency plans for sustaining basic functions and critical infrastructure in case of the loss of certain systems such as basic utility services and information technology services. Planning should recognize supply chains and the fact that purchasing some supplies might need to be expedited in the event of a pandemic. Supply shortages, fuel delivery interruptions and various delays in communicating with a variety of stakeholders could all occur during an emergency. Effective contingency planning will accommodate at least some level of disruption of supplies and services and will seek to maintain critical infrastructure.

While planning for a pandemic is important, planning alone is not enough to ensure that the Crown corporation will be ready in the event of a serious pandemic situation affecting Saskatchewan. Therefore, the Crown corporation's plan must be tested and rehearsed. Rehearsing offers the opportunity to test roles and responsibilities under various scenarios including identifying the information and communications that would be necessary to function effectively in a given situation. Rehearsing the plan allows participants to identify both the strengths and weaknesses in the plan and to adjust accordingly.

Once completed in draft form, the pandemic preparedness plan should be reviewed and approved by the Crown corporation's senior management. The corporate-level pandemic preparedness plan should also be posted to the corporation's public website (ensuring first that privacy issues are addressed and that confidential business information is protected). Crown corporation pandemic preparedness plans may also be shared among CIC subsidiary Crown corporations.

General Provisions

Guiding Principles

- Written in clear, plain and concise language that can be readily interpreted by the corporate user and by an informed public
- Does not overuse corporate or emergency planning jargon and acronyms
- Is a business tool, and not confined to being a communications product with promotional messages and language
- The plan is easy to access and reference by those who will use it
- The plan recognizes interdependencies and includes provisions to maintain these interdependencies in a pandemic emergency
- The plan is a living document that is continuously revised as information and circumstances change

Critical Elements of a Pandemic Preparedness Plan

In the event of a serious pandemic, the critical elements of robust pandemic preparedness plans include the following:

- Clear responsibilities and accountability for action is established and secondary chains of command have been considered;
- Mandatory employee training to keep employees informed of the plan;
- Infection - control measures to minimize spread of infection in the workplace;

- Remote work locations for employees;
- Identify employee leave and pay requirements in the event of a pandemic (essential and non-essential staff, family and medical leave);
- Business travel and the need to make reasonable efforts to suspend or eliminate and leverage technology as required;
- Effective communication and collaboration has occurred between departments and business units within the Crown corporations, the Crown sector and Executive government;
- Interdependencies outside the organization have been recognized and addressed; and,
- Confidence has been established that the Crown corporation has prepared as best as it can for possible uncertain events.

Reference Sources Cited in Preparing these Guidelines

Saskatchewan COVID-19 Preparedness Plan, 2020, Government of Saskatchewan

A Guide to Business Continuity Planning, Government of Canada

Administrative Information

Contact:
Owner: Director, Strategic Policy and Stakeholder Engagement, CIC, 306-787-0056
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Appendix A

Criteria for Developing Emergency Preparedness Plans

- All relevant legislation and governing documents are referenced, and the plan identifies strategies for addressing all mandated responsibilities.

- Discussions with partners and stakeholders are ongoing to ensure that all parties work together in a coordinated manner to respond to the pandemic emergency. By working together, organizations can limit overlap, ensure consistency and promote cooperation and mutual understanding.

- The plan identifies strategies for regular maintenance and revision. The plan is a living document that will need to be updated as information and circumstances change.

- A strategy is developed for training and exercising the plan to highlight preparedness and response challenges that may arise in a severe pandemic. This includes education/information sessions with staff and identifying formal trigger points to activate the plan.

- The plan identifies relationships with other relevant Ministries, Agencies and Crown corporations, as well as the private sector. These interdependencies need to be discussed and noted in each dependent's plan and each needs to be aware of the other's expectations and needs.

- The plan has copies of relevant notification lists, contingency plans, templates, etc., attached as appendices. This information needs to be kept current and easily accessible.

- An appropriate Hazard and Risk assessment has been undertaken and is reflected in the plan. Each organization has different levels of risk when faced with an emergency. Accordingly, each plan must be reflective of that assessment.

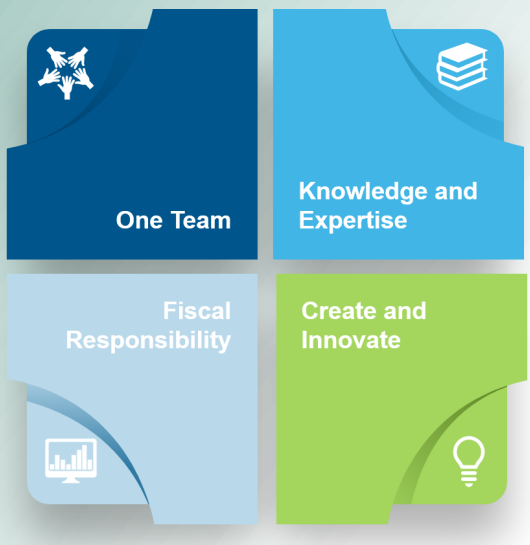
- The plan identifies organizational roles and responsibilities during an emergency. It is essential that all personnel are aware of their roles before the plan is activated.

- A process for feedback from operational staff is important. Staff input will ensure that the plan is workable and inclusive.

- A communication strategy is identified in the plan to communicate with employees, stakeholders and partners before, during and after the emergency. Through this strategy, key messages regarding elements of the emergency plan and business operations can be disseminated.

- The plan needs to incorporate a business continuity element in order to ensure that the organization can continue meeting its business obligations during an emergency.

Human Resources Policies



CIC

Crown Investments Corporation of Saskatchewan

Crown Executive Compensation Framework

Issue Date: January 4, 2010

Revised Date: October 29, 2021

Authority

The Crown Corporations Act, 1993
Crown Investment Corporation (CIC) Board Minute - #188/2006
Cabinet Minute - #7732
CIC Board Minute - #098/2013 (Amendment)

The Crown Sector Executive Compensation Framework (the Framework) is the purview of the CIC Board of Directors and Cabinet.

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporation Executive level employees.

Positions eligible for Executive Compensation are:

- President/CEO
- Executive Level 1 (Vice-President or equivalent)
- Executive Level 2 (those Executive level positions who are direct reports to the President/CEO only)
- Per provisions listed under 'Organizational Adjustments' (page 10)

Excluded positions not eligible for Executive Compensation are:

- Any Executive level positions that are not direct reports to the President/CEO
- Those that may be direct reports, but the scope of duties is such that the position does not warrant placement at either the Executive Level 1 or Executive Level 2 positions

Definitions

P50	A P50 philosophy means that the organization wants its pay line (P) to match the 50th percentile of their market comparators (i.e. be in the middle of the group).
Crown Demographics Report	The Crown Demographics Report is a demographic review and analysis of Crown corporation staff completed annually as of December 31st and published on the CIC website.
Stretch Targets	A stretch target is defined as a measure or goal that requires focused, consistent and concerted effort to achieve over a period of time. Crowns are to consider industry sector trends and competitor performance benchmarks in setting stretch targets.

Framework Overview

Compensation Philosophy & Principles

- The Saskatchewan Crown sector is committed to a "total compensation" perspective which includes base salary, salary holdback, benefits and pension;
- The Saskatchewan Crown sector recognizes the need to maintain a meaningful degree of competitiveness with the relevant external labour market;
- The unique mandate and needs of Saskatchewan Crown corporations, which are part of the larger Saskatchewan public sector, requires the appropriate comparator market of both public and private sector to compete for the talent in the private sector while recognizing the unique industry-specific trends of each Crown;
- The compensation philosophy must enable and recognize performance at both the organizational and individual levels and must effectively differentiate rewards based on differing levels of performance, including the imperative that poor performance is not rewarded. This performance-based approach applies for both base salary in-range progression and annual salary holdback payments;
- CIC has overall and shared authority for executive compensation governance across the Crown sector, with individual Crown corporation boards having a degree of autonomy and independence within the governance framework; and,
- There is a commitment to pay and employment equity.

Crown corporation Entities

Crown corporations directly involved in the Framework:

- Saskatchewan Telecommunications Corporation (SaskTel)
- Saskatchewan Power Corporation (SaskPower)
- Saskatchewan Government Insurance (SGI)
- SaskEnergy Incorporated (SaskEnergy)
- Crown Investments Corporation of Saskatchewan (CIC)
- Lotteries and Gaming Saskatchewan (LGS)
- Saskatchewan Water Corporation (SaskWater)

Framework Training

Crowns are to provide training on the Framework to Crown Board members and new Executives, with emphasis on salary holdback plans. CIC will provide a template which can be modified by each Crown as required. Upon request, CIC can be available to participate in the training.

It is critical that Board members fully understand the Framework, so that when assessing the merit of annual salary holdback plans and proposed revisions to elements of the Framework, they have a solid foundation upon which to base their decisions.

For Executives, having a full understanding of the Framework upon which their compensation is based is critical to retention, as well as providing ongoing motivation to achieve/exceed both corporate and individual performance objectives.

Total Compensation Approach

Total Compensation = Base Salary + Salary Holdback + Pension/Benefits

P50 Market comparability is driven at the Total Compensation level. As a result, an adjustment to any contributing factor in the above equation will have implications on the remaining factors to keep the equation whole.

Base Salary

Tier Structure & Methodology

Each Crown is assigned a "Tier" in accordance with a set of pre-determined criteria, which in turn determines the pay structure for all Crown Executives.

There is a recognized need to ensure the methodology has a high degree of rigor and objectivity. Further, compensation philosophy and practices are typically derived from market-based measures. Therefore, operational complexity (i.e., internal relativity across CIC Crowns) is approximated using the following factors within an index matrix:

- Net income
- Revenue
- Assets
- Employees

Net income and revenue are calculated using a normalized five-year forward rolling average based on financial performance targets approved by the CIC Board of Directors. Normalization assumes average returns or industry benchmarked long-term targets are met. It also makes adjustments to remove the impact of one-time or infrequent events (e.g. one-time gain-on-sale).

Assets are calculated using a five-year forward rolling average.

Employee counts are based on year-end Crown Demographics Report actual numbers.

The following are the four (4) Tiers and the placement of Crowns within them:

Tier 1 SaskWater
Tier 2 LGS
Tier 3 SaskEnergy, CIC
Tier 4 SaskPower, SaskTel, SGI

As the holding company, CIC has responsibility for oversight of the entire Crown sector in addition to its own operations and those of its wholly owned subsidiaries. Given this active governance and strategic role, CIC is not included in this analysis.

Each factor is equally weighted to yield a maximum overall index of 4.00.

The Tiers are reviewed annually by CIC.

Significant variations will be further analyzed with recommendations for change, if required, and provided to CIC Board of Directors for their consideration. CIC will consult with the Crowns as part of this process.

Market Group/Pay Line

Market comparability is defined at range maximum Total Compensation for each Tier.

The pay line goal is P50 of a market composed of Saskatchewan public sector and comparable, relevant and industry-specific private sector. The weighting of public/private sector is set at 50-50 to recognize the unique operating environment of the Saskatchewan Crowns, the public policy imperative inherent to the Crown sector and the broader competition for talent with the private sector.

In addition, to recognize the inherent statistical error that resides with external market research, the applicable reference point is calibrated to achieve +/- 15% of the P50 composite.

CIC recognizes the need for regular compensation surveys to measure external market competitiveness. Normally these surveys will be completed every three years but may occur more or less frequently in response to perceived market changes and/or provincial financial/economic conditions.

Note: As of April 1, 2021, alignment to the stated pay line goal is no longer relevant. At the direction of the CIC Board of Directors, salary holdback payments were permanently reduced/eliminated resulting in cash compensation below the P50 target.

In-Range Progression

Salary ranges and any applicable range adjustments are set by CIC on an annual basis. Movement through the range is based on performance and in accordance with Crown policy.

Executive in-range progression is authorized as follows:

- Is permitted in accordance with each Crown corporation's out-of-scope compensation plan;
- Shall be tied to an effective performance management system (merit based);
- On a group basis (i.e. separate "pools" for out-of-scope vs. Executive), shall not exceed 3% of straight-time annual payroll for the group eligible for in-range progression (i.e. those not at range maximum). Resources available for in-range progression may vary from year-to-year based on CIC Board of Directors direction; and,
- On an individual basis, shall not exceed a maximum increase of 6% (nor can it exceed the range maximum) for any employee in any given year. The maximum increase may vary from year-to-year based on CIC Board of Directors direction.

Salary Holdback (i.e., excluding CIC)

Crown CEO and Executives' corporate objectives must be directly linked to balanced scorecard targets, both financial and non-financial. Balanced scorecard objectives and associated targets are integral elements of strategic planning and must be reflected in each Crown corporation's Annual Performance Management document presented to the CIC Board of Directors. Measures should include representation from all pillars in the Crown corporation's balanced scorecard.

Salary holdback targets must be stretch goals and directly linked to corporate balanced scorecard targets. Each Crown corporation board of directors has the ability and responsibility to challenge management to ensure targets are truly stretch in nature. Crown corporations are to consider industry sector trends and competitor performance benchmarks in setting stretch targets. Salary holdback targets and measures must be objective, quantifiable and within the span of control and/or influence of management. A target or measure outside these parameters is not acceptable. Salary holdback targets may be more challenging than the balanced scorecard target but cannot be less challenging than the balanced scorecard target.

Crown corporation boards are to consider historical, actual trends and results when approving stretch targets. For example, if the historical pattern indicates actual results have consistently exceeded target, the Crown corporation board should make the target more challenging.

Another example is when a trend has demonstrated a consistent level of growth (and has regularly been achieved) and a significantly different growth factor is recommended by management for the next year's salary holdback, the Crown corporation board should thoroughly examine the circumstances surrounding this proposed change. What has fundamentally altered to suggest this new direction? Are the assumptions warranted and substantiated?

Conversely, if a target has not been met and management recommends a lower target for the subsequent year, was the initial result an anomaly or an indicator of a fundamental change? Targets are not to be lowered to merely allow management to achieve them.

Exceptional year-end results, both much higher and much lower than anticipated, should be reviewed and thoroughly analyzed. To what degree was the result within management's control? For purposes of the salary holdback plan, the Crown corporation board retains some discretion to correct for a one-time anomaly.

The guiding principle to consider whether an adjustment is appropriate or not is to determine if the one-time event(s) was reasonably within management control or not, such as a public policy change. If the event is within management control, then there is no adjustment. The Crown corporation board should only consider an adjustment for significantly unique event(s). The Crown corporation board is encouraged to consult with CIC to assess whether a proposed one-time event warrants an adjustment to salary holdback result.

Scenario Planning – A Best Practice

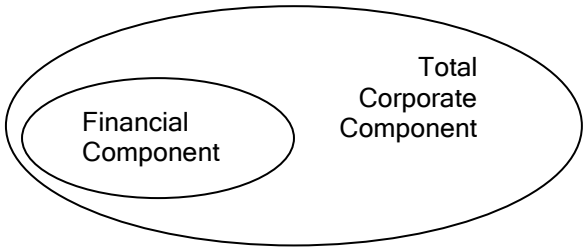
Crown corporations are strongly encouraged to scenario plan. "Threshold" "meets" and "above" target performance scenarios should be clearly articulated. This will help minimize subjectivity and the perception of discretionary judgment when awarding below or above performance results. The use of statistical risk modeling and probability determination are recommended tools in the scenario planning process.

Component Thresholds

Crown corporation boards must establish a minimum performance level or threshold which must be met before any salary holdback is paid out. There must be two elements to the threshold:

1. Achievement of a set level of performance indicators related to the primary categories in the balanced scorecard (i.e. total corporate performance); and,
2. Within these indicators, a further financial threshold be set.

This approach is illustrated by the following diagram:



Both threshold components must be met before there is any salary holdback payout, i.e. the overall total corporate threshold (including financial and non-financial targets) must be met (or exceeded) ***and*** the financial threshold must be met (or exceeded) on a standalone basis. That is, if the threshold is set at 80%, both the overall corporate results must achieve or exceed 80% ***and*** the financial results must achieve or exceed 80% of the target. Crown corporations may choose to set a threshold above 80%.

Therefore, the salary holdback payout is based on the degree to which the overall goals in the balanced scorecard are met. The degree of success towards meeting the financial goals are merely one element of the scorecard results and are used to establish one of the hurdles.

The minimum threshold is 80% while the cap on any salary holdback payout is 100% of target.

Crown corporation boards may set a more rigorous threshold as they see fit. The payout scale for an 80% threshold is illustrated in the table below.

Salary Holdback Payout Scale at 80% Threshold

Balanced Scorecard Average Corporate Results and Financial Results of Target	% of Weighted Salary Holdback Payout
Less than 80%	0%
80%	50%
90%	75%
100%	100%

Crown corporations are to cap each individual salary holdback objective results at 110%. The purpose is to prevent one or more significantly exceeded target result from distorting the entire salary holdback calculation and payout.

Missed Threshold – Corporate or Individual

Both corporate threshold components must be met before there is any salary holdback payout.

If an individual does not meet minimum individual performance targets, the Crown corporation board or President/CEO, as appropriate, may choose to withhold some or all of the salary holdback payment for that person.

Component Weighting

The component weighting must fall within the ranges below. Each Crown corporation board will have the discretion to establish weightings for the CEO, and the CEO for their Executive 1 and 2, within these ranges.

Payout

Any salary holdback payout is contingent upon achievement of approved corporate and individual goals. Target and maximum payouts for the salary holdback plans are set in accordance with the Framework. Each Crown corporation's board will have complete discretion to establish weightings for the President & CEO. The President & CEO will have discretion for the Executive Level 1 and Executive Level 2 positions.

The corporate-individual weighting ranges are as follows:

Level/Position	Corporate Weighting	Individual Weighting
CEO	90 - 80%	10 - 20%
Exec 1	85 - 70%	15 - 30%
Exec 2	85 - 70%	15 - 30%

It is important to note a high salary holdback payout rate would not necessarily correlate directly to the percentage in-range movement awarded. Placement and movement through the range could also reflect aspects of the assessed overall proficiency and effectiveness of the incumbent in the position (i.e. competency level), or the individual's own contributions rather than a blend of corporate and individual outcomes.

To be eligible for any salary holdback payment, the Executive must (exceptions noted in "Treatment on Termination" section) be an active employee at the end of the salary holdback measurement period (i.e. March 31st).

CIC Oversight

In order to ensure alignment with the intent and requirements of the Framework, Crown corporation board approved salary holdback plans, and in-year adjustments results are to be submitted to the CIC Crown Sector HR unit for information purposes. Any issues related to compliance with the Framework will be communicated to the Crown.

Salary holdback corporate result calculations must be submitted to the CIC Crown Sector HR unit for review ***prior*** to communication to Executives and ***prior*** to the processing of related payments.

Treatment on Termination

Except as provided here, when a member of the Framework voluntarily resigns, or is terminated for cause, he or she is not eligible for a salary holdback for the fiscal year in which the resignation or termination takes place.

Should a member of the Framework retire or die during the year, the Crown corporation may provide for a pro-rata payment for the portion of the year the incumbent was employed. However, no payment can be made until after March 31st and after all corporate results are approved by the Crown corporation's board.

When a member of the Framework transfers to, or is appointed to, a position at another Crown corporation or Ministry, that member is entitled to receive a pro rata share of the salary holdback payout for the position the member left at the former Crown corporation. However, no salary holdback payout will be made until all corporate and individual targets are measured and known. For clarity, no salary holdback payout will be made until after March 31st.

When a member of the Framework is terminated without cause, consideration should be given to payment of earned entitlements, including salary holdback payments.

Summary

- There is a dual hurdle with a threshold for each of the financial and overall corporate performance goals, below which no salary holdback will be paid out.
- The threshold in both cases is set at a minimum of 80%; Crown Boards may choose a higher hurdle rate.
- Target caps or regulators at 110% of target result for each objective must be implemented.
- Each Crown corporation's board has the responsibility to establish the appropriate weighting of each balanced scorecard goal selected for the President & CEO.
- All Executives must have at least three (3) individual/personal goals each year.
- The type of termination will have an effect on the treatment of a salary holdback payment.
- Individual performance outcomes will impact the salary holdback payment.

Communication

On a quarterly (at minimum) basis, Crown corporations are to communicate year-to-date/forecast results on balanced scorecard and salary holdback measures to Executives in order to ensure ongoing awareness and motivation towards achieving performance targets.

Other Considerations

The Crown corporation's board retains the discretion to withhold/cap any or all salary holdback payments in any given year should circumstance warrant it.

Cabinet or the CIC Board of Directors may provide direction regarding withholding/capping salary holdback payments.

Benefits & Pension

Pension and benefits are capped at 25% of base salary at range maximum. The 25% at range maximum is calculated on a Crown average and must be verified annually as of December 31st each year.

Note: In conjunction with the reduction/elimination of salary holdbacks, enhancements to existing benefits/pension and/or the introduction of new benefits/pension programs are not allowed.

Benefit Package Inclusions

Any portion of the premium and/or contribution which is paid by the employer is to be included as part of the benefit calculation. The benefits and pension types include the following:

- Life Insurance
- Accidental Death & Dismemberment
- Long-Term Disability
- Health Benefits
- Dental Benefits
- Vision Care Benefits
- Pension – portion contributed by the employer
- Vehicle Allowance
- Vehicle Usage - Include only that portion of the employer cost which is considered a personal benefit for purposes of reporting income to the Canada Revenue Agency
- Parking
- Retiring Allowance - The value of any amount of retiring allowance should be included in the benefit calculation

- Spending Allowance - The value of Flexible Spending or Credit Account allowances

For clarification, the above list is not all inclusive. Crown corporations are to account for all employer-paid/provided non-legislated benefits and pension/retirement items.

Benefit Package Exclusions

Exclusions from the calculation include the following:

- Employer paid legislated benefit costs (i.e. Canada Pension Plan, Employment Insurance & Workers Compensation)

- Paid time off (e.g. vacation, statutory holidays), as the value associated with this time is included in base salary. To include a value in the benefits package calculation would result in double counting.

It is important to note that, if the benefit cap is exceeded, the Crown corporation must take immediate corrective steps to reduce benefits to meet the 25% cap.

Reporting

Crown corporations are required to report a summary of benefits and the Crown corporation's average value on an annual basis as of December 31st. The report should be provided to CIC no later than January 31st.

Appointment to Positions

New Hires

President/CEO:

- **Base Salary** – The base starting salary will be determined by the Search Committee in consultation with the Crown corporation's board chair and will be set within the range in effect at the time.

- **Salary Holdback** – The Crown corporation's board retains discretion on treatment of the salary holdback for a new hire, however normally it will be on a pro-rata basis. For example, an October 1st start date would afford a 6/12ths salary holdback payment, based on results and performance. The Crown corporation's board may waive a salary holdback payment for a late fiscal year starting date, however, this must be clearly communicated to the prospective employee at the time of the job offer.

- **Signing Bonus/Incentives** – Are not permitted under the Framework. Any request for an exception requires express, written authority from the CIC Board of Directors.

Executive Level 1 and Executive Level 2:

- **Base Salary** – The President/CEO retains the authority to establish the base starting salary within the range established for the position in effect at that time.

- **Salary Holdback** – The President/CEO retains discretion on treatment of the salary holdback for a new hire, however normally it will be on a pro-rata basis. For example, an October 1 start date would afford a 6/12ths salary holdback payment, based on results and performance. The

President/CEO may waive a salary holdback payment for a late fiscal year starting date, however, this must be clearly communicated to the prospective employee at the time of the job offer.

- **Signing Bonus/Incentives** – Are not permitted under the Framework. Any request for an exception requires express, written authority of the CIC Board of Directors.

Promotional Appointment on a Temporary/Acting Basis

- **Base Salary Treatment** – The Crown's usual promotional policies for Temporary/Acting appointments will apply. Normally this would not exceed an 8% increase. Exceptions may occur to bring the salary to the new range minimum.

- **Benefits/Salary Holdback Treatment** – The incumbent will retain his or her home position benefits and salary holdback eligibility for the duration of the assignment.

  Exceptions may be considered in cases where the appointment exceeds 3 months. For example, the salary holdback may be prorated, with the payment representing the time spent in each position (i.e. the same application as noted under the "Promotional Appointment on a Permanent Basis" section below).

Promotional Appointment on a Permanent Basis

- **Base Salary Treatment**
  i. For promotional appointments to Executive 1 or Executive 2 positions, the Crown corporation's usual promotional policies will apply; and
  ii. For promotional appointments to the President/CEO position, recommendations from the Search Committee on remuneration will be considered prior to making a final offer. Normally the promotional formula will not exceed a 10% increase.

Benefits/Salary Holdback Treatment: In all cases, benefits and salary holdback eligibility will be applied on a pro-rata basis reflecting the actual term of the higher-level appointment within the first fiscal year. For example, an Executive 2 is promoted to Executive 1 effective July 1st. His/her salary holdback will be calculated at the higher (Executive 1) rate for the period July 1st – March 31st and at the home position rate (Executive 2) for April 1st – June 30th of that year.

Organizational Adjustments

The Crown corporation's President/CEO retains the authority and responsibility to structure the organization, including the Executive cadre, to best serve the needs of the corporation, provide services to the client/customer base and protect the interests of the shareholder.

When reorganization results in an incumbent who has been part of the Framework no longer reporting directly to the President/CEO, under exceptional circumstances and only after consultation and approval from CIC, the incumbent shall retain eligibility for salary holdback payments (i.e. be grandfathered) for as long as the incumbent remains in the same position. Upon vacancy, the position will no longer be eligible for the provisions of the Framework (i.e. for former Executive will either no longer be eligible for a salary holdback ***or*** be eligible for a salary holdback under the Crown corporation's management salary holdback plan, where applicable).

The President/CEO must be sensitive to organizational creep (i.e. all executives gravitating to the highest executive level), particularly with respect to the Framework. The President/CEO normally advises the Crown corporation's board chair and/or board of directors of any significant organizational changes in advance of actual implementation.

Crown Filings Under *The Crown Employment Contracts Act, 1993*

The Crown Employment Contracts Act, 1993 specifies treatment of base salary, salary range and benefits changes. While it does not require filing of salary holdback payments, for purposes of openness and transparency they are to be filed within the 14-day time limit. For consistency purposes, salary holdback payments should be reported on Crown Filings on a dollar basis (rather than as a percentage), excluding any associated benefit gains such as a pension adjustment.

Administrative Information

Contact:
Owner/Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: October 29, 2021

Diversity and Inclusion in the Workplace Policy

Issue Date: June 15, 2015
Revised Date: December 4, 2019

Authority

The Crown Corporations Act, 1993

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

CIC and CIC Crown corporations are committed to ensuring that their workplace reflects the diversity found in the province of Saskatchewan. Managing diversity successfully means creating an inclusive environment that values the contributions of people with different backgrounds, ethnicity, experiences and perspectives.

CIC and Crown corporations serve as leaders in ensuring corporate cultures and human resource policy, procedures and practices support and encourage workplace diversity and inclusivity

CIC and Crown corporations are responsible for the reasonable accommodation of the needs of employees so that every employee has the opportunity to contribute to his or her full potential. In order for the effect of management practices to be fair to all employees, it is recognized that the treatment of individuals may need to be different. Managers and functional team leaders will strive to manage employees' flexibility and will seek, encourage and support diversity.

Process

Diversity as a guiding philosophy is not to be regarded as a human resource issue but rather as an integral component of strategy and everyday business operations. Crown corporations will be responsible for implementation of workplace diversity policies and practices that support inclusivity, ensuring the Crowns are well positioned to recruit and retain a diverse, qualified and motivated representative workforce.

Individual Crowns may choose to include diversity related performance objectives in their annual business plan.

Responsibility

The Vice President/Director, Human Resources is accountable for defining the corporate commitment to valuing diversity. All Vice Presidents/Directors are responsible for ensuring that this commitment is supported by the practices of their departments.

Administration Information:

Contact:
Owner/Executive Sponsor: Executive Director, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Out-of-Scope Salary Holdback Policy (excluding Executives)

Issue Date: January 14, 2014

Revised Date: December 4, 2019

Authority

The Crown Corporations Act, 1993
CIC Board Minute - #75/2012

Applicability

This policy is applicable to CIC and CIC subsidiary Crown corporation out-of-scope employees (i.e. permanent full and part time), excluding employees covered by the Crown Executive Compensation Framework.

Crowns are not obligated to implement a salary holdback plan.

Crown corporations may have both a salary holdback and a lump sum payment program; however no employee group/employee can be eligible for both. For example, a Crown corporation may deem it appropriate to have a salary holdback only for senior management/management, with a lump sum program for the remainder of the out-of-scope group.

Purpose

The purpose of this policy is to detail the process through which Crown corporations are to proceed should they choose to pursue the implementation of a salary holdback plan and the design and administration criteria that must be met to gain the necessary approvals.

There is an expectation that subsidiary Crown corporation salary holdback plans approved under this policy will be designed such that they do not provide the equivalent of across the board compensation adjustments. Salary holdbacks are a type of deferred salary/pay-for-performance plan and are intended to drive performance and productivity. As such, corporate/divisional and individual performance objectives must be met or exceeded to support payment.

Definitions

Eligible Employee - Permanent full and part-time out-of-scope employees (excluding executives) who have successfully completed an initial probationary period (where probationary periods are applicable to out-of-scope employees) with the employer and have been active in an eligible position for a minimum of six months in the performance period. Temporary and term employees are not eligible.

Stretch Target - A performance measure linked to corporate balanced scorecard goal/objective that requires focused, consistent and concerted effort to achieve over a period of time. Crown corporations are to consider industry sector trends and performance benchmarks in setting stretch targets.

Total Compensation - Defined as the value of base salary, salary holdback (at target) and employer contributions to pension and benefits combined.

Policy Statements

The Crown Sector Out-of-Scope Salary Holdback policy is the purview of the CIC Board of Directors.

- The Crown corporation must have a robust performance appraisal and management system in place prior to the establishment of a salary holdback plan.
- Out-of-scope salary holdback plans must be aligned with and designed and administered as an extension of the Executive salary holdback plan.
- Annual objectives tied to the salary holdback plan must have a corporate (tied to corporate balanced scorecard targets) and individual component with a requirement for threshold performance to be achieved for both to trigger a salary holdback payment. Crown corporations may choose to also include a business unit/divisional component to their plan.
- Management's corporate objectives must be directly linked to balanced scorecard targets, both financial and non-financial. Balanced scorecard objectives and associated targets are integral elements of strategic planning and must be reflected in each Crown corporation's Annual Performance Management submission presented to the CIC Board of Directors. Measures should include representation from all pillars in the Crown corporation's balanced scorecard.
- Salary holdbacks are not necessarily a fit and/or desired by all organizations. As a result, implementation of a salary holdback plan is not a requirement for CIC subsidiary Crown corporations.
- Implementation of a salary holdback plan must be done within the context of a total compensation model.
- To support the implementation of a salary holdback plan, Crown corporations must present data that indicates a lag to market on a total compensation basis, or in the absence of a lag, choose to reallocate resources from one or more compensation elements to make room for implementation of a salary holdback plan.

Employee Eligibility

- Employees must achieve a minimum of a "Fully Satisfactory/Meets Expectations" (or equivalent) performance rating on their annual individual objectives. Employees who are new to a role (minimum of 6 months in the role) and are assessed as developing as expected in the role are considered eligible.
- Employees are eligible to receive a payment regardless of the position of their base salary within their assigned salary range.
- Employees must have been active in an eligible position for a minimum of six months of the program year to be eligible for a salary holdback payment and be deemed a permanent employee (e.g. successfully completed an initial probation in an out-of-scope position with the employer, in cases where out-of- scope probationary periods are applicable). Salary holdback payments for periods of eligible employment of less than one year will be prorated.

Targets

- Salary holdback targets must be stretch goals and directly linked to corporate balanced scorecard targets. Targets and measures must be objective, quantifiable and within the influence of out-of-scope employees.
- Salary holdback targets may be more challenging than balanced scorecard targets and cannot be less than the balanced scorecard target.
- Crown corporations are to consider historical, actual trends and actual results, as well as industry sector trends and competitor performance benchmarks in setting stretch targets.

For example, if the historical pattern indicates results that have consistently exceeded targets, the Crown corporation board should make the target more challenging.

- Conversely, if a target has not been met and management recommends a lower target for the subsequent year, was the initial result an anomaly or an indicator of a fundamental change OR is the corporation measuring the right thing? Targets are not to be lowered to merely allow staff to achieve them.

One-Time Events

- Exceptional year-end results, either much higher or much lower than anticipated, should be reviewed and thoroughly analyzed. To what degree was the result within management's control? For the purposes of the salary holdback plan, the Crown corporation board retains some discretion to correct for one-time anomalies.

- The guiding principle to consider whether an adjustment is appropriate or not is to determine if the one-time event(s) was reasonably within management control or not, such as a public policy change. If the event is within management control, then there is no justification for an adjustment. The Crown corporation board should only consider an adjustment for significantly unique events. The Crown corporation board is encouraged to consult with CIC to assess whether a proposed one-time event warrants an adjustment to salary holdback result.

Scenario Planning – A Best Practice

Crown corporations are strongly encouraged to "scenario" plan. "Threshold", "meets" and "above" target performance scenarios should be clearly articulated. This will help minimize subjectivity and the perception of discretionary judgment when awarding below or above performance results. The use of statistical risk modeling and probability determination are recommended tools in the scenario planning process.

Component Thresholds

- The minimum threshold is 80% while the cap on any salary holdback payout is 125% of target. Crown corporations may set a more rigorous threshold if they see fit. The payout scale for an 80% threshold is illustrated in the table below:

Balanced Scorecard Average Corporate Results and Financial Results of Target	% of Weighted Salary Holdback Payout
Less than 80%	0%
80%	50%
90%	75%
100%	100%
105%	110%
110%	125%

- Given the requirement for thresholds, by the same context, Crown corporations are to cap individual salary holdback objective results at 110%. The purpose is to prevent one or more significantly exceeded objectives from distorting the entire salary holdback calculation and payout.

- It is common practice for organizations with a salary holdback to have decreasing target payments as one moves from the executive level positions at the top of an organization to support level positions. Considering the target payments within the salary holdback component of the Executive Compensation Framework, maximum target payments for the remainder of out-of-scope employee groups is as follows:

Employee Group	Salary Holdback at 100%
Senior Management/Management	8.0%
All Other Out-of-Scope	5.0%

- CIC will work with subsidiary Crown corporations in assigning their classification/salary levels within the above-noted categories to ensure reasonableness and consistency across Crown corporations.
- Crown corporations may choose to set target payments at rates lower than those in the chart above.
- The range of acceptable weightings of corporate/business unit and individual results is as follows:

Employee Group	Corporate/Divisional	Individual
Senior Management/Management	60-70%	30-40%
Professional/Technical	40-60%	40-60%
Administrative Support and Entry Professional/Technical	20-40%	60-80%

Treatment on Termination

When an out-of-scope employee voluntarily resigns or is terminated for cause, he or she is not eligible for a salary holdback for the year in which the resignation or termination takes place.

Should an out-of-scope employee retire or die during the year, the Crown corporation may provide for a pro-rata payment for the portion of the year the incumbent was employed, depending on the subsidiary Crown corporation's policy. However, no payment can be made until after March 31st and after all corporate results are approved by the Crown corporation's board.

When an out-of-scope employee transfers (i.e. mutual agreement between Crown corporations), the employee is entitled to receive a pro-rata share of the salary holdback payout for the position the employee left at the former Crown corporation. However, no salary holdback payout will be made until all corporate and individual targets are measured and known, and the employee continues to be employed by the Crown corporation or Ministry they transferred to, at the end of the salary holdback measurement period. For clarity no salary holdback payment will be made until after March 31st.

Normally, to be eligible for a salary holdback payment, an out-of-scope employee must be an active employee as at March 31st. When an out-of-scope employee is terminated without cause, consideration should be given to payment of earned entitlements, including salary holdback payments.

Board of Director & Out-of-Scope Employee Training

Crown corporations are to provide training to Crown board members and new out-of-scope employees on the salary holdback plan.

It is critical that board members fully understand the salary holdback policy, so that when assessing the merit of annual salary holdback plans, they have a solid foundation upon which to base their decisions. For out-of-scope employees, having a full understanding of the salary holdback plan is critical to retention, as well as providing ongoing motivation to achieve/exceed both corporate and individual performance objectives.

CIC Oversight

In order to ensure alignment with the intent and requirements of the salary holdback policy, Crown corporation's board approved out-of-scope salary holdback plans and in-year adjustments results are to be submitted to the CIC Crown Sector HR Unit for information purposes. Any issues related to compliance with the policy will be communicated to the Crown.

Salary holdback corporate result calculations must be submitted to the CIC Crown Sector HR Unit for review ***prior*** to communication to employees and ***prior*** to the processing of related payments.

Summary

- There is a dual hurdle with a threshold for each of the financial and overall corporate performance goals below which no salary holdback will be paid out.
- The threshold in both cases are set at a minimum of 80%. Crown corporation boards may choose a higher hurdle rate.
- Target caps or "regulators" at 110% of target result for each objective must be implemented.
- Each Crown corporation board has the responsibility to establish the appropriate weighting of each balanced scorecard goal selected for the salary holdback plan.
- Out-of-scope employees must have at least three (3) individual/personal goals each year.
- The type of termination will have an effect on the treatment of a salary holdback payment.
- Individual performance outcomes will impact the salary holdback payment.

Other Considerations

- The Crown corporation boards retain the discretion to withhold/cap any or all salary holdback payments in any given year should circumstances warrant it.

- Cabinet or the CIC Board of Director may provide direction regarding capping/withholding salary holdbacks.

Approval Process – Implementation and Subsequent Revisions

1. The Crown corporation submits a decision item to their Board of Directors.

2. Upon receipt of approval from their Board of Directors, the Crown corporation submits a request for approval/recommendation from their Board to the CIC Board. The request must detail the plan design policy.

3. The Crown corporation is to work with CIC in the development and finalization of the request, prior to submission to either Board. This approach is intended to expedite the process, reducing surprises and ensuring alignment with the CIC policy.

4. CIC will create and present a decision item for CIC Board of Directors consideration.

5. Upon receipt of CIC Board of Director's approval, the Crown corporation is authorized to implement their salary holdback plan.

6. Any proposed revisions to the plan in the future require presentation to and discussion with CIC, prior to implementation, to ensure continued compliance with the CIC policy. D epending on the nature of the proposed revision, CIC may require the submission of a decision item to the CIC Board of Directors.

Reporting

Crown corporations choosing to implement a salary holdback are required to report a summary of results and payouts on an annual basis as at March 31st, no later than June 30th of the following year.

Administrative Information

Contact:
Owner/Executive Sponsor: Executive Director, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Phased Retirement Policy

Issue Date: September 2012
Revised Date: December 4, 2019

Authority

The Crown Corporations Act, 1993
Crown Investments Corporation (CIC) Board Minute - #149/2012

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

This policy facilitates the Crown sector's ability to manage the transfer of knowledge of employees nearing retirement and provide an opportunity for employees to transition to retirement.

Definitions

Phased retirement is the opportunity for:

- Current employees to transition into full-time retirement by reducing work hours (within their current, different but related or modified role).
- Former employees (i.e. limited to current employees who resign specifically to participate in this program, to facilitate their ability to draw from their retirement savings to offset reduced employment earnings) to return to the workplace in a less than full-time capacity.

For the purpose of this policy, Government of Saskatchewan has the same meaning as "Crown Employer" in *The Crown Employment Contracts Act* and includes:

- Executive Government
- Treasury Board Crown corporations
- CIC subsidiary Crown corporations
- Boards
- Agencies
- Commissions

Policy Principles

The Crown Sector Phased Retirement Policy is the purview of the CIC Board of Directors.

General

- It is essential that phased retirement be linked to the employer's human resource and talent management strategy. It is a tool to be used strategically by Crown corporations to support their human resource and talent management goals.
- Phased retirement plans are employer driven and employee participation (voluntary) requires employer approval.
- Implementation of a phased retirement plan may create pressure on Full Time Equivalent (FTE) counts. Annually as part of strategic planning/budget processes, Crown corporations need to consider estimated phased retirement participation and set FTE targets accordingly, while being sensitive to the Crown corporation's overall footprint.

Eligibility

Current Employees:

Open to permanent full-time employees who:

- Are active members of the employer's defined contribution pension plan; and,
- Must meet the eligibility requirements for retirement, as defined by the pension plan of which they are an active, contributing member.

Retirees:

Open to retirees (i.e. only current employees who are defined contribution plan members) from permanent full-time positions that retire for the purpose of participating in a phased retirement arrangement.

Plan provisions must comply with the CIC "Re-employment of Government Employees in Receipt of Severance/Enhanced Benefits" policy.

Application & Approval

In order to participate in the plan a formal application process is required. Crown corporation employers must set up approval mechanisms to ensure alignment with corporate human resource and talent management strategies.

Approvals must be finalized via a formal agreement signed by both parties, and the participating employee must agree to retire at the conclusion of the phase period. The agreement must clearly lay out the expectations of both the employee and the employer during the phase period.

On an exceptional basis (e.g. major life events, such as the death of a spouse/partner), the agreement may be cancelled, if mutually agreed to by both parties.

When an employee retires to participate in phased retirement, notification that an agreement has been reached and the employee is retiring for the purpose of participating in a phased retirement plan is to be forwarded to the Public Employees Benefits Agency (PEBA) pension plan administrator. PEBA requests 30 to 60 days advanced notice of a member's intention to transition to phased retirement, to ensure enough time to work with the member and receive required retirement documentation at the time of phased retirement enrolment.

Crown corporations may choose to accept and consider applications throughout the year or set single or multiple "windows" in which applications will be considered. With either approach, Crown corporations may set a maximum for the number of applications that will be approved.

Time Frame and Hours of Work

Phased retirement periods can vary but are not to exceed two years. Extensions may be considered; however the expectation is that two years is a reasonable maximum duration, and in almost all situations should be sufficient to facilitate the required knowledge transfer. If an extension is necessary, it shall not exceed one year, for a maximum of three years.

The percentage of full time hours worked can be no more than 80% and no less than 40%. Within this range, it is between the Crown corporation and the employee as to what degree hours of work are reduced. When agreed to by the parties, the percentage of full-time hours worked can change during the term of the agreement; however as the program is a transition to retirement, the percentage of full-time hours should only be reduced not increased as the phase period progresses.

The percentage of full time hours worked will typically be on a short cycle. Longer cycles (e.g. repeating periods of two months on followed by two months off), which may be useful in succession planning efforts to bring along one or more internal candidates, may be considered.

***Note**:* An employee may fully retire prior to the end of the agreed-to arrangement, with required notice.

Pension Considerations

The Public Employees' Pension Plan Act does not currently provide the ability for employees to draw from pension savings without resigning and requesting a transfer of their PEPP account to a Retirement Income Option such as the Variable Pension Benefits VPB. However, drawing from pension savings such as VPB and simultaneously earning an employment income from their current or other participating PEPP employer can be facilitated as follows:

- On termination, the employee must serve a break in service (i.e. resign) of at least one (1) work day to transfer pension funds into the VPB prior to returning to employment. The former employee can then simultaneously draw on their retirement savings through the VPB and earn income from their subsequent employment.
- With continuing employment, employer and employee contributions to the pension plan are required, based on established contribution rates and the new less-than-full-time salary earned by the employee.
- Any amounts, including voluntary contributions, that are not transferred to the VPB during the break in service become locked-in again on re-employment with the employer or another participating plan employer.

For more information, contact PEPP or go to their website at www.peba.gov.sk.ca.

Crown corporation employers may consider topping up the employer portion of pension contributions to equate to the same dollar amount as made by the employer when the employee was earning a full-time wage, to the maximum allowed under CRA. Crown corporations choosing to implement a top-up are required to apply the top-up to all phased retirement participants (i.e. not on an individual by individual basis).

Benefit Considerations

Crown corporation employers must ensure that employees applying for and receiving approval to participate in a phased retirement plan are aware of all benefit-related implications. For example, a reduction in work from full-time hours may impact eligibility for a benefit.

Crown corporation employers may consider including provisions that would provide participating employees with unreduced benefits (e.g. dental and extended health care) during the transition to retirement period. As with pension, this practice would need to apply to all phased retirement participants.

Accurate communication of all implications will mitigate the risk to the employer of potential claims of loss from employees participating in a phased retirement arrangement. This includes information on legislated benefits such as the Canada Pension Plan (CPP), as phased retirement could impact CPP contributions and subsequent benefits.
Finally, the employer needs to be aware that phased retirement may trigger a requirement to make payments such as retiring allowances.

Approval Process

1. The Crown corporation works with CIC to develop their plan, in advance of submission to its Crown corporation board.
2. Prior to submission to the Crown corporation's board, CIC performs an assessment of the plan to ensure alignment with the CIC policy.
3. The Crown corporation submits the decision item to its board.
4. Upon the Crown corporation's board approval, the Crown corporation proceeds with implementation. CIC submits an information item to the CIC Board of Directors.
5. Any proposed revisions to the plan in the future require submission to and discussion with CIC prior to implementation, to ensure continued alignment with the CIC policy.

Reporting

Crown corporations are required to provide a summary to CIC of plan participation on an annual basis as at December 31st, no later than January 31st of the following year.

Administrative Information

Contact:
Owner/Executive Sponsor: Executive Director, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Re-Employment of Government Employees in Receipt of Severance/Enhanced Benefits

Issue Date: May 26, 2011
Revised Date: December 3, 2019

Authority

The Crown Corporations Act, 1993
CIC Board Minute - #97/2011

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

This policy is intended to prevent individuals from receiving income from more than one entity within the Government of Saskatchewan at the same time (commonly known as “double dipping”).

Definitions

For the purpose of this policy, “Government of Saskatchewan” has the same meaning as “Crown Employer” in *The Crown Employment Contracts Act* and includes:

- Executive Government;
- Treasury Board Crowns;
- CIC Crown corporations;
- Boards;
- Agencies; and,
- Commissions.

Policy Statements

In recognition of the principle that all agents of the Crown are considered to be one employer, Crown corporations are encouraged to refrain from re-employing, either directly or indirectly, persons who are receiving severance payments from the Government of Saskatchewan, unless the individual forgoes the severance payments for the period that overlaps with their re-employment.

In a case where an individual is receiving enhanced benefits from the Government of Saskatchewan to leave employment early (i.e. early retirement), the individual should not be re-employed, either directly or indirectly, with the Government of Saskatchewan.

For the purposes of this policy, “indirectly re-employing” an individual would include entering into a consulting contract with the individual.

Should an individual in receipt of a severance package from the Government of Saskatchewan be under consideration for employment by a Crown corporation, the offer of employment must be made conditional upon repayment of a portion of the lump sum benefits commensurate with the period of overlap.

All Crown corporation severance agreements must include clauses requiring the former employee to repay any portion of the severance payment that coincides with re-employment within the Government of Saskatchewan, without affecting the individual’s duty to mitigate. Some examples are included in

Appendix A but should be modified as required by Crown corporations to accurately reflect the facts in any given situation.

Monitoring

Crown corporations are responsible to monitor ongoing internal compliance with this policy.

Administrative Information

Contact:
Owner/Executive Sponsor: Executive Director, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Appendix A
Sample Clauses for Severance Agreements

Example #1:

Should and for so long as *[Employee]* obtains employment or contracts with the Government of Saskatchewan or any of its agencies, boards, commissions or Crown corporations prior to _____, being the concluded date of the notice period, *[Employee]* agrees to account for and repay to *[Crown corporation]*, all amounts paid by *[Crown corporation]* under clauses ** which amount shall not exceed the amounts earned by *[Employee]* for that period of time that would relate to the date of commencement of such employment or contract to the end of the notice period, subject to the following:

(a) *[Employee]* shall have no obligation to account for and repay any amounts paid as statutory severance pursuant to *The Saskatchewan Employment Act* as set out in clause **.

(b) *[Crown corporation]* remains, in any event, obligated to "top up" any income earned by *[Employee]* in the notice period so that his/her monthly earnings will be equal to the monthly earnings he/she would have received at *[Crown corporation]* up to _____, being the concluded date of the notice period.

(c) *[Employee]*'s obligation to repay amounts received under clause ** will be net of the income tax deducted by *[Crown corporation]* in making those payments.

(d) *[Crown corporation]* will entertain a reasonable repayment program for *[Employee]* to fulfill his/her obligations under this clause **.

This provision will survive the termination of the employment relationship and applies notwithstanding any release of obligations in favour of *[Employee]*.

Example #2:

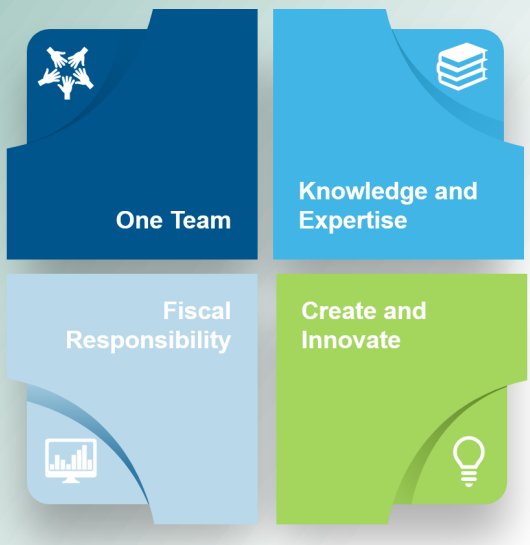
Should *[Employee]* obtain employment or contracts with the Government of Saskatchewan or any of its agencies, boards, commissions or Crown corporations during the period after _____ up to and including _____ (hereinafter "Government Employment") *[Employee]* shall be obligated to account for and repay to *[Crown corporation]* relative to the given month the income and benefits paid by *[Crown corporation]* to him/her pursuant to clauses ** and/or ** above, such accounting and repayment being only to the extent of *[Employee]*'s earnings/benefits from the other Government Employment. If, for example, the amount of earnings/benefits received during any given month prior to _____ from such other Government Employment is less than $_____, then *[Crown corporation]* will "top up" any income/benefits earned for that month so that *[Employee]*'s monthly earnings/benefits will be equal to $_____. Conversely if, for example, the amount of earnings/benefits received during any given month prior to _____ from such other Government Employment is equal to or greater than $_____, then *[Crown corporation]* will not be required to pay any amounts to *[Employee]* pursuant to clauses ** and ** above for that particular month and *[Employee]* shall account for and repay to *[Crown Corporation]* any amount to which *[Crown corporation]* has already paid *[Employee]* relative to that month.

Further, to the extent that *[Crown corporation]* has overpaid *[Employee]* relative to any given month, *[Crown corporation]* shall be entitled to offset any future payments that may be owing to *[Employee]* against the overpayment.

Notwithstanding the foregoing, nothing in this clause shall require or obligate *[Employee]* to account or repay to *[Crown corporation]* such amounts as he/she would otherwise be entitled (i.e. six weeks' pay in lieu of notice) pursuant to subsection 44(2) of *The Labour Standards Act* (Saskatchewan).

This provision will survive the termination of the employment relationship and applies notwithstanding any release of obligations in favour of *[Employee]*.

Legal Policies



Crown Investments Corporation of Saskatchewan

Crown Sector Records Management Policy

Issue Date: March 27, 2013
Revised Date: June 1, 2020

Authority:

The Crown Corporations Act, 1993
The Archives and Public Records Management Act
The Freedom of Information and Protection of Privacy Act
CIC Board Minute - #56/2013

Applicability:

This policy is applicable to CIC and its subsidiary Crown corporations.

Purpose:

This policy:

- Promotes Crown sector compliance with the records management provisions of *The Archives and Public Records Management Act,* which includes developing and implementing approved administrative and operational records schedules, policies and procedures;
- Promotes efficient management of all Crown sector records to meet legislative requirements, document government decisions, support business operations, and preserve the province's historical record;
- Encourages records management processes that maintain the authenticity, accuracy, integrity, and reliability of the Crown corporation's information; and
- Recognizes that electronic records are subject to the same legislative requirements as all other records, and must be managed to the same standards.

Definitions:

Crown Corporation Records - Include information that relates to the transaction of Crown corporation business, regardless of form, including documents, maps, electronic records, e-mail, drawings, photographs, letters, vouchers, papers, etc., which are received, created, deposited or held by the Corporation. Crown corporation records are those that are required to control, support, or document the delivery of programs, carry out business operations, make decisions, or account for activities of the Corporation. Records do not include transitory documents (convenience copies, drafts, working papers, and blank forms), non-work related documents, or published materials.

Policy Statements:

CIC and all CIC subsidiary Crown corporations will adhere to Public Records Committee approved records classification and retention schedules for the efficient and effective management of all Crown corporation records, which include physical and electronic records.[1] Effective records management will focus on those records that are important to the current business, while also ensuring that the Corporation's inactive records are managed in accordance with approved retention schedules.

Specific corporate records management strategies will be established and followed by each Crown corporation in accordance with expectations established by its Board of Directors.

General Provisions:

Guiding Principles

- All Crown corporations shall assign a senior executive who will oversee the corporation's recordkeeping program and delegate program responsibility to appropriate individuals, adopt policies and procedures to guide personnel, and ensure the program is audited periodically.
- Crown corporations shall construct a recordkeeping program to ensure that the records and information generated or managed by the corporation will have a reasonable and suitable guarantee of authenticity and reliability, and to ensure a reasonable level of protection for records that are private, confidential, privileged, secret, or essential to business continuity.
- CIC and each subsidiary Crown corporation shall develop records classification and retention schedules consistent with the requirements of *The Archives and Public Records Management Act*.
- Crown corporations shall maintain records and information as per their approved records classification and retention schedule(s) and shall provide secure and appropriate disposal of records that are no longer required in accordance with disposal procedures that follow *The Archives and Public Records Management Act* and the Crown corporation's policies. Non-Crown corporation records are not subject to *The Archives and Public Records Management Act*.
- Electronic corporate records are subject to *The Archives and Public Records Management Act*.
- CIC and each subsidiary Crown corporation shall develop corporate records management policies and procedures to guide the corporation's records management program. Corporate records management policies and procedures shall be consistent with *The Archives and Public Records Management Act* and shall be approved by the Crown corporation's Executive.

Background:

The Saskatchewan Archives Board advises government institutions concerning standards and procedures pertaining to the management of records, determines which non-current public records are of historic interest and are to be transferred to the care and control of the Saskatchewan Archives Board, and approves destruction of eligible records of the corporation that do not possess historical significance.

[1] Consistent with Executive Council guidance provided in a memorandum to all Permanent Heads and Presidents of Crown corporations from the Cabinet Secretary and Clerk of the Executive Council, November 25, 2011

As stipulated in *The Archives and Public Records Management Act*, the Provincial Archivist, as represented by the Saskatchewan Archives Board, provides advice to all arms and levels of the Saskatchewan government concerning records management standards and procedures. This includes providing advice on creating records schedules, managing electronic records, policy development, and all other aspects of records management.

As stipulated in *The Archives and Public Records Management Act*, the Public Records Committee is responsible for the review and approval of all records schedules.

Records retention and classification systems, records disposal and associated records management policies and procedures are basic records management tools necessary to efficiently manage Crown corporation records. As per *The Archives and Public Records Management Act,* Crown corporations must create and use records schedules approved by the Public Records Committee for the classification, retention and disposal of their records. Crown corporations are also required to comply with the records disposition system and government-wide records management policies/guidelines developed by the Saskatchewan Archives Board.

Retention requirements in records schedules establish the minimum time period that records found within the classification plan must be retained to meet all legal, financial, administrative and fiscal requirements.

Some Crown corporations may utilize electronic records management software to manage their electronic records. Electronic records management applications should follow CIC Crown sector practices and policies as may be established and updated from time to time.

Cloud Computing and Records Management

Cloud computing is the practice of using internet-based servers to store, manage and process records throughout their lifecycle. A risk assessment should be undertaken to identify and manage jurisdictional, governance, privacy, technical and security issues before engaging a cloud service provider and records management concerns must be addressed.

Public records created, stored and managed in the cloud are subject to The Archives and Public Records Management Act. The following management issues must be considered when deciding whether to engage a cloud service provider:

1. **Scope**

   The types of records and their content will determine the necessary levels of security controls, preservation and migration strategies that will be applied. Records must be stored in a secure format and the government institution must ensure that confidential and sensitive information is afforded the level of data protection required by applicable legislation.

2. **Ownership**

   Ownership of records stored in the cloud must be retained by the Government of Saskatchewan. Cloud service providers that allow for ownership by entities other than the Province should not be considered.

3. **Server Location**

   Storage location must be specified as a requirement when procuring a cloud service provider. Records that are to be stored outside of the Province or Canada must be examined carefully to ensure that they will be managed in accordance with Saskatchewan laws. Any contract

negotiated with a cloud service provider must address any risks associated with storing the information outside of Saskatchewan.

4. **Preservation**

   Information stored in the cloud must be preserved in formats which ensure that it remains accessible and useable in accordance with the approved records schedules. Service providers must afford migration strategies which meet the institutions needs and integrity checks must be conducted on a regular basis to make sure that the data remains accurate and consistent.

5. **Retention and Disposal**

   Protocols must be in place by the service provider to ensure that records which have met their retention requirements are destroyed only upon instruction from the government institution. Evidence must be provided from the service provider of records that are deleted when they have met their retention requirements, including all electronic copies and back-ups. Government institutions are required to follow the records disposal process administered by the Provincial Archives of Saskatchewan.

6. **Security**

   Information must be stored in a secure format, with all meta-data intact, complete and unchanged. Records must retain their ability to provide evidence of business transactions. Adequate safeguards must be in place to protect personal information and other sensitive and confidential records to prevent security breaches. Cloud service providers must ensure that they have sufficient back-up and disaster recovery protocols in place.

   Any contract with a cloud service provider must clearly specify who has access rights to the information stored in the cloud. Such access should only be available to persons who require access to manage the information. Service providers should be required to document any access to these government records.

7. **Cloud Server Reliability and Service Continuity**

   Cloud service providers must have protocols and procedures in place to address the integrity of the records in the event of any problems or incidents which may occur (such as the server shutting down or the service provider going out of business). Risks associated with remote access should also be addressed by the provider. Service providers must be able to return complete records as required by the government institution in the event that they are no longer able to deliver the service and the data must remain accessible, transferable and useable.

Reference Sources Cited in Preparing this Policy:

Saskatchewan Records Management Guidelines, Saskatchewan Archives Board, Government Records Branch, March 2006 at: http://www.saskarchives.com/sites/default/files/records-management-guidelines_apr_03_06.pdf

Generally Accepted Recordkeeping Principles, ARMA International, February 20, 2009 (www.arma.org, February 20, 2009)

Crown Sector Privacy Framework, Crown Investments Corporation, Cabinet Minute # 6168, February 19, 2003

Administration:

Contact:
Owner: General Counsel and Corporate Secretary, CIC, (306) 787-0542
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Duty to Consult Policy

Issue Date: April 7, 2011
Revised Date: June 1, 2020

Authority

The CIC Crown Corporations Act, 1993
CIC Board Minute - #133/2006
CIC Board Minute - #060/2010, May 13, 2010
CIC Board Minute - #64/2011, April 7, 2011
CIC Board Minute - #083/2015, June 9, 2015

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

The objectives of the Duty to Consult is:

1. To respect and protect Treaty and Aboriginal rights by ensuring, through the consultation process and subsequent decisions, that negative impacts on these rights and uses are avoided, minimized or mitigated and rights are accommodated, as appropriate;

2. To advance the process of reconciliation between Indigenous and Non-Indigenous people and their respective claims, interests and ambitions; and

3. To promote, predictability and a stable, secure investment climate for the residents of Saskatchewan, including First Nation and Metis communities.

The purpose of this policy is to clearly communicate the legal obligation on CIC and all subsidiary Crown corporations to engage in the Duty to Consult.

This policy applies to CIC and Crown corporation decisions and actions that have the potential to adversely impact the exercise of:

1. Treaty and Aboriginal rights, such as the right to hunt, fish and trap for food on unoccupied Crown lands and other lands to which First Nations and Metis have a right of access for these purposes; and

2. Traditional uses of lands and resources, such as the gathering of plans for food and medicinal purposes and the carrying out of ceremonial and spiritual observances and practices on unoccupied Crown lands and other lands to which First Nations and Metis have a right of access for these purposes.

Policy Statements

CIC and its subsidiary Crown corporations will:

1. Understand that the Crown, who is represented by a Government of Saskatchewan ministry and/or agency of Executive Government, including CIC and its subsidiary Crown corporations, owes the Duty to Consult;

2. Assess and fulfill their Duty to Consult responsibilities in compliance with the ***Government of Saskatchewan's First Nation and Métis Consultation Policy Framework*** **(CPF)** that is consistent with the process set out in the *Duty to Consult Process Guide for Saskatchewan Government Officials* - follow the link to: http://www.saskatchewan.ca/residents/first-nations-citizens/duty-to-consult-first-nations-and-metis-communities#duty-to-consult; and

3. When acting as a project proponent, follow the guidance in the ***Proponent Handbook: Voluntary Engagement with First Nation and Métis Communities to Inform Government's Duty to Consult Process*** - follow the link to: http://www.saskatchewan.ca/residents/first-nations-citizens/duty-to-consult-first-nations-and-metis-communities#proponents-and-the-duty-to-consult.

CIC and its subsidiary Crown corporations:

- Understand that Crown corporations are responsible to consult with those First Nations and Métis communities whose Treaty and Aboriginal rights and/or traditional uses of land and resources have the potential to be adversely impacted by a Crown corporation decision or action;

- Based on the honour of the Crown, the Crown corporations are committed to promoting reconciliation and supporting economic success with First Nation and Métis communities based on open communication, trust, respect, common interests and shared values;

- Recognize that the Duty to Consult is a constitutional obligation and not a public policy and to engage in advance with First Nation and Métis communities on strategic and business plans prior to triggering the Duty to Consult process; and

- Are responsible to evaluate if strategic, higher level decisions, such as new/amended legislation, regulations, policies, and strategic plans that will guide future decisions trigger the Duty to Consult.

Background

Legal Foundation for the Duty to Consult

In 2004, the Supreme Court of Canada released two decisions concerning the Duty to Consult and accommodate Aboriginal peoples. Both cases arose out of circumstances in British Columbia, where the issue of Aboriginal title has not been dealt with by way of Treaty as it has in Saskatchewan. In the Haida Nation and Taku River decisions, the Supreme Court ruled that if the government's actions could adversely affect asserted claims of Aboriginal title or rights, consultation would still be required even though the claim had not yet been proven.

In 2005, the Supreme Court of Canada handed down its decision in the case of Mikisew Cree First Nation v. Canada (Minister of Canadian Heritage). In the decision, the Supreme Court confirmed that, while governments have the power under Treaties to take up land, they have a Duty to Consult when the taking up of land may adversely affect Treaty rights.

In 2010, the Supreme Court issued two further decisions which clarified the Duty to Consult. In Beckman v. Little Salmon/Carmacks First Nation, the Supreme Court confirmed that Crown

corporations have a Duty to Consult and clarified the parties which a government entity must consult with. In Rio Tinto Alcan v. Carrier Sekani Tribal Council (Carrier Sekani), the Supreme Court clarified when the duty to consult is triggered, as set out in Haida Nation, and provided a three-element test:

1) First, the Crown must have "knowledge, actual or constructive, of a potential Aboriginal claim or right."
2) Second, the Crown must be contemplating a certain conduct that may engage a potential Aboriginal right.
3) Third, the Crown's decision or action must have the potential to adversely affect an Aboriginal claim or right.

The Consultation Policy Framework (CPF)

Approved by Cabinet in June 2010, the CPF describes Government's roles and responsibilities in the Duty to Consult process, outlines criteria for determining when the Duty to Consult is triggered and describes different consultation levels based on the anticipated level of adverse impact of the proposed development on Treaty and Aboriginal rights and traditional uses.

Decisions subject to the CPF:

- Fish and wildlife management;
- Resource extraction;
- Land reservations;
- Land use planning;
- Lease, grant and sale of unoccupied Crown land; and
- Changes to public access.

The CPF is available at: https://www.saskatchewan.ca/live/first-nations-citizens/lands-and-consultation/consultations.

Operational Implementation Procedures

In April 2015, the Government of Saskatchewan developed the *Duty to Consult Process Guide for Saskatchewan Government Officials* (Guide) to replace the need for ministry, CIC subsidiary Crown corporations and agency-specific operational procedures.

The Guide sets out a single consistent process to help officials understand their Duty to Consult responsibilities when determining and fulfilling government's legal obligation.

The Guide is housed on a Duty to Consult SharePoint site and linked to a full suite of tools to assist officials with implementation. CIC or a subsidiary Crown corporation official can arrange for access by contacting Aboriginal.Consultation@gov.sk.ca or call toll free: 1-877-879-7099.

The Proponent Handbook

The ***Proponent Handbook: Voluntary Engagement with First Nation and Métis Communities to Inform Government's Duty to Consult Process*** was developed to clarify the roles and responsibilities of proponents, highlight the opportunity for engagement, and address the duplication of engagement and consultation efforts on projects that have the potential to trigger the Duty to Consult when authorization is sought.

The Handbook encourages the opportunity for early, effective and timely information exchange between proponents and First Nations and Métis communities and provides practical advice on how to gather and document information relevant to informing government's Duty to Consult.

When CIC or a subsidiary Crown corporation seeks authorization from another government ministry or agency related to land and/or resource development, they are viewed as a project proponent.

The Proponent Handbook is available at: https://www.saskatchewan.ca/residents/first-nations-citizens/duty-to-consult-first-nations-and-metis-communities

Advice and Support

Questions on the CPF, the Guide, the tools, the SharePoint site or the Proponent Handbook should be directed to the Ministry of Government Relations' Aboriginal Consultation Branch by phoning toll-free 1-877-879-7099.

As outlined in Section 4 of the Guide, the following consultation tools are available on the Duty to Consult SharePoint site:

- Important Terms
- Consultation Record
- Project Cover Sheet
- Notification and Consultation Log
- Community Consultation Summary
- Consultation Assessment
- Pre-Consultation Assessment Template (Proposed Project)
- Pre-Consultation Assessment Template (Legislation, Regulation, Policy, Strategic Plans)
- Interest-Based Engagement
- Consultation Matrix
- Notification Letter Outline
- Sample Notification Letter
- Fast Track Grants Fact Sheet
- Assigning Procedural Aspects of Consultation
- Sample Letter of Assignment
- Consultation Meetings
- Open House Consultations
- Participant Attendance Sheet
- Managing Community Responses
- Decision Letter Outline
- Sample Decision Letter
- Community Contact Lists

Administration:

Contact:
Owner: General Counsel and Corporate Secretary, CIC, (306) 787-0542
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Privacy Framework

Issue Date: October 2, 2003
Revised Date: June 1, 2020

Authority

The Freedom of Information and Protection of Privacy Act, Part IV, Sections 24 - 33
The Canadian Standards Association Model Code for the Protection of Personal Information, CAN/CSA-Q830-30 (CSA Code)
Cabinet Minute # 6168, February 19, 2003
CIC Board Minute 206/2003

Applicability

This policy applies to CIC and its subsidiary Crown Corporations

Purpose

The Policy:

- applies to personal information about the Crown sector's stakeholders that is collected, used and/or disclosed, in the course of business operations;
- applies to personal information retention and disposal;
- applies to the management of all personal information, regardless of whether oral, written and/or electronic; and
- remains subject to the requirements or provisions of any relevant legislation, regulations, contracts, agreements or court order or other lawfully binding arrangements.

Definitions

Collection	The act of gathering, acquiring, recording or obtaining personal information from any source, including third parties, by any means.
Consent	Voluntary agreement to the collection, use and disclosure of personal information for defined purposes. Consent may be express or implied and can be provided directly by the individual or that person's authorized representative. Express consent can be given orally, electronically or in writing, but is always unequivocal and does not require an inference on the part of the Crown corporation. Implied consent is consent that can reasonably be inferred from an individual's action or inaction.
Customer	An individual who: • Uses, or applies to use, a Crown corporation's products or services; or • Corresponds with a Crown corporation.
Disclosure	Making personal information available to others outside the organization.
Employee	An employee, pensioner or member of the Board of Directors of a Crown Corporation.

Information Management	The systematic control of records from their creation, or receipt, through their processing, distribution, organization, storage and retrieval to their disposition.
Interested Parties	Employees, customers, vendors, contractors, or other third parties who have provided personal information about themselves to the Crown corporation.
Personal Information	As per Section 24 of *The Freedom of Information and Protection of Privacy Act.*
Record(s)	Recorded information, regardless of medium (paper, computer disc, etc.) or characteristics, created, received, retained or destroyed by an agency in support of its core business. A record may refer to a single document or group of documents in a file or file folder. Records may be administrative (e.g. management of property, material, facilities, human resources, finances and information systems) or operational (e.g. records unique to each Crown related to specific services or functions as authorized by statute).
Security	The establishment and maintenance of measures to protect all corporate assets. Security is necessary for privacy, but the proper handling of personal information requires a broader set of privacy management functions.
Third Party	An individual, other than the interested party, or organization outside the Crown corporation.
Use	The treatment and handling of personal information within the Crown corporation.
Governance	Based on this overarching privacy framework, each Crown will have a governance model to suit its business and operational needs. The governance model will enable the corporation to integrate its privacy management program into its daily operations.

Policy Statements and Process

This framework provides guidance for a workable and sustainable privacy management approach. It is intended to:

- guide Crown Investments Corporation (CIC) and subsidiary Crowns in the development and implementation of their respective policies, procedures, monitoring and reporting;
- help ensure the protection of citizen's private information, balanced against the need to ensure the public and business mandates of the Crown sector can be effectively carried out;
- help each Crown instill the confidence and trust of all stakeholders with respect to privacy management; and
- support a culture of privacy management within the corporation.

The framework protects the personal information entrusted to Crown corporations and ensures that privacy management is an integral part of Crown corporation business.

The framework adopts and endorses the ten *CSA Code* Principles as the foundation for Crown sector privacy management. These principles are inter-related and each Crown corporation's privacy management program will elaborate upon these principles to meet individual organizational and operational needs.

- **Accountability**: An organization is responsible for personal information under its control and shall designate an individual or individuals who are accountable for the organization's compliance with the following principles.
- **Identifying Purposes**: The purposes for which personal information is collected shall be identified by the organization at or before the time the information is collected.
- **Consent**: The knowledge and consent of the individual are required for the collection, use, or disclosure of personal information, except where inappropriate.
- **Limiting Collection**: The collection of personal information shall be limited to that which is necessary for the purposes identified by the organization. Information shall be collected by fair and lawful means.
- **Limiting Use, Disclosure and Retention**: Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the individual or as required by law. Personal information must be retained only as along as necessary for the fulfillment of those purposes.
- **Accuracy**: Personal information shall be as accurate, complete, and up-to-date as is necessary for the purposes for which it is to be used.
- **Safeguards**: Personal information shall be protected by security safeguards appropriate to the sensitivity of the information.
- **Openness**: An organization shall make readily available to individuals specific information about its policies and practices relating to the management of personal information.
- **Individual Access:** Upon request, an individual shall be informed of the existence, use, and disclosure of his or her personal information and shall be given access to that information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.
- **Challenging Compliance**: An individual shall be able to address a challenge concerning compliance with the above principles to the designated individual or individuals accountable for the organization's compliance.

Each Crown corporation will appoint a Chief Privacy Officer (CPO). As the CPO, he/she will be empowered to develop and implement the corporation's privacy management program.

The primary role of the CPO is to ensure the legal framework, policies, procedures and standards are in place to protect personal information in the Crown corporation. The CPO will ensure the adequacy of the framework, and monitor, evaluate and report on implementation and ongoing effectiveness of the Crown's privacy management program.

As part of the governance model, the CPO's roles and responsibilities may be delegated to others as required. The person assigned as CPO may have other responsibilities provided they are not in conflict of interest with his/her CPO role.

Privacy Management Program

Crown corporations will develop and maintain a privacy management program. Privacy management must be built through specific initiatives or actions that integrate privacy management into day-to-day corporate operations (see Appendix A for more detail).

The primary elements are:

Management Element

Policy and process – the design and architecture to achieve business privacy requirements and business needs; guidance and confirmation with the CPO and Steering Committee (if applicable);

Administration – to implement the business solutions, ensure quality control and handle privacy requests, inquiries and complaints;

Control – integration of systems with core business processes; monitor, react and measure the privacy process itself.

Integration Element

Build – actual implementation of actions required to support privacy policy and/or compliance with privacy requirements. Designs, tests and implements actions into an operational model (e.g. linkage of privacy management with security management, integration of privacy education with a code of conduct, etc.).

Maintain and Sustain – development and implementation of the day-to-day actions for ongoing privacy management, linking with the governance layer. This includes performance measures to help identify and address those areas that may require improvement.

Summary

Each Crown corporation will be responsible and accountable for the development, implementation and compliance monitoring of its privacy management program.

Administrative Information

Contact:
Chief Privacy Officer: General Counsel and Corporate Secretary, CIC, (306) 787- 0542

Reviewed: June 1, 2020

Appendix A

Framework Layer - Key Components

Information

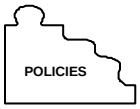


The critical and mandatory first step in the process is conducting an internal privacy and security audit and gap analysis. This includes, among other things, the following:

- Taking inventory of existing information: what information is held by the corporation, why it is held, where it is and who owns it;
- Taking inventory of existing privacy practices: why do we have the information we have, and how is it used. What happens to the information once it is given to the corporation (this includes an analysis of creation, importation, manipulation, copying, sharing, archiving, backing up, and destruction);
- Developing a classification system for information;
- Gap analysis: what policies and procedures must be put in place to align with privacy legislation?

The audit and gap analysis is a risk-assessment tool for decision-makers to address the legal, moral and ethical issues posed by the personal information held by the corporation. It provides a snapshot of how well the organization is protecting the privacy of its interested parties.

Policies and Process



Policies are the fundamental building blocks of the privacy framework. Generally speaking, policies are the corporate-wide guidelines for staff outlining their responsibility for the management and protection of corporate data, information and assets. Policies also control the actions and reactions of the corporation's processes for the handling of data. The privacy framework requires clearly defined policies, processes and procedures.

To be effective, policies must be easy to implement and enforce. As such, they must be concise and easily understandable. Also crucial is the need to balance the protection sought with productivity requirements. And finally, policies must be updated on a regular basis to reflect the changing needs of interested parties and the organization.

Any policies developed must clearly state why they are needed, and describe what is covered (whom, what, where, when, and how). These policies must discuss the appropriate contacts and discuss how violations will be handled.

People



For the privacy framework to be successful, Crown staff must have the appropriate direction and guidance. Privacy must permeate every part of the corporation to facilitate compliance and add value to the privacy framework. As such, privacy and security education is mandatory to ensure a common understanding of the basic principles and this knowledge is updated on a regular basis.

Staff will need process-driven guidance that is controlled by policy. Critical to the success of the privacy framework is clarification for the staff of what constitutes sensitive personal and corporate information.

The privacy framework will take shape once staff and processes are linked by adopted and well-communicated corporate-wide policies.

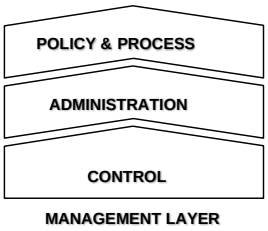
Technology



Technology should be viewed as the privacy framework enabler. Technology is the key to automating the policies and procedures developed in the privacy framework. It helps to guide people through their policy and process driven tasks.

Technology can be used to effectively implement security to discourage the improper use of information.

Privacy Management



There are three layers to privacy management:

- Privacy Policy and Process Management - This would be under the mandate of the Chief Privacy Officer and the Steering Committee, if established.
  The purpose of the Committee would be to define business needs and architect solutions.
- Privacy Administration - This involves implementing the business solutions and managing the quality control of the processes put in place to solve the business requirements. It also concerns itself with processing privacy inquiries or complaints
- Privacy Control - This level of management concerns itself with systems integration from end-to-end, as well as compliance monitoring (performance measurement)

Integration with Systems

The privacy framework requires linkage to other systems, such as:

- Asset and inventory management – relates to all corporate assets (hardware, software, intellectual capital, equipment, etc); what is currently in place, how many are there, what is changing, what is being created
- Configuration management – the control data on each asset, describing what it is, who has it, purpose, etc.
- Incident management – activities related to privacy and security incident reporting and management
- Problem management – management of unresolved incidents
- Change management – handling of process and procedural changes to ensure incident prevention and compliance with privacy standards; generally achieved through application of an assessment tool
- Application management – specific aspect of change management
- Security management – physical security of corporate assets

Completing the Privacy Framework

The privacy framework is operational when all of the above elements have been fully integrated. Privacy management is an ongoing process requiring continued evaluation, maintenance and/or adjustment to emerging developments.

Public Interest Disclosure Act Compliance Procedures

Issue Date: September 8, 2011

Revised Date: June 1, 2020

Authority

The Crown Corporations Act, 1993
CIC Board Minute Number 138/2011

Applicability

This policy is applicable to CIC and its subsidiary Crown corporations and their subsidiaries.

Definitions

Disclosure – a disclosure of wrongdoing made in good faith by an employee in accordance with the Act

Wrongdoing – a contravention of any Act or Regulation (Provincial or Federal)
- an act or omission that creates a substantial and specific danger to the life, health or safety or persons or to the environment
-gross mismanagement of public funds or a public asset
-knowingly directing or counseling a person to commit a wrongdoing.

Purpose

The policy describes procedures for Crown corporations to follow to facilitate disclosures of wrongdoing by Crown corporation employees under *The Public Interest Disclosure Act* (the Act).

Policy Statements

The Act provides a mechanism for Crown corporation employees to disclose wrongdoings within the Crown corporation and provides protection from reprisals for those employees who make disclosures.

Crown corporations shall designate at least one senior official to be its designated officer, also serving as the designated officer for all subsidiaries of the Crown corporation. The designated officer shall receive and deal with disclosures by employees in accordance with the Act and this Policy.

Crown corporations shall establish procedures to manage disclosures by its employees under the Act, including procedures to:

- Receive and review disclosures under the Act, including setting periods for making recommendations to the Crown corporation and the CEO respecting any corrective measures that should be taken;
- Refer the matter to another government institution or the Public Interest Disclosure Commissioner, if appropriate;

- Review and investigate disclosures under the Act in accordance with the principles of procedural fairness and natural justice;
- Protect the confidentiality of information collected in the course of disclosures and investigations;
- Protect the identity of persons involved in the disclosure and investigation process, subject to the principles of procedural fairness and natural justice;
- Report the outcome of investigations;
- Enforce and follow-up on any disciplinary or corrective action recommended as a result of an investigation; and
- Comply with the Regulations.

Appendix A contains a model form of procedures for use by Crown corporations to comply with the Act. Crown corporations are expected to substantially follow the model form of procedures, with only minor modifications as necessary to integrate within the Crown corporation's existing policies and procedures.

Crown corporations shall widely communicate details about the Act and the procedures to their employees.

Reporting

Crown corporations shall prepare, and submit to the Ministry responsible for administration of the Act, a report on all disclosures made in the reporting period in accordance with the Act. A copy of the report will also be provided to CIC.

Administrative Information

Contact:
Owner: General Counsel and Corporate Secretary, CIC, (306) 787-0542
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Appendix A

Model Form
The Public Interest Disclosure Act Compliance Procedures

Scope

The Government of Saskatchewan has enacted *The Public Interest Disclosure Act* (the "Act"), which may be accessed by clicking on the following link:
http://www.qp.gov.sk.ca/documents/English/Statutes/Statutes/P38-1.pdf

The Act provides that any employee of *[Crown corporation*] or its subsidiaries who reasonably believes that he/she has information that could show that a wrongdoing (as defined by the Act) has been, or is about to be committed, or could show that the employee has been asked to commit a wrongdoing, may in good faith make a disclosure **either** externally to the Public Interest Disclosure Commissioner or internally to the Designated Officer of [*Crown corporation*]. An employee considering making such a disclosure may also request advice from either the Commissioner or the Designated Officer of [*Crown corporation*].

Since members of the [*Crown corporation*] board of directors are not employees of [*Crown corporation*], they are neither subject to the Act nor these Procedures.

The Act also requires that *[Crown corporation]* establish procedures to manage any internal disclosures of wrongdoing by employees of *[Crown corporation]* and its subsidiaries to the designated officer of *[Crown corporation]*.

Set out herein are procedures regarding the making and the handling of such disclosures.

These procedures are not, however, intended to replace or in any way diminish the responsibility of those in positions of authority, whether in-scope or out-of-scope, to promote and enforce [*Crown corporation*]'s various policies, operating procedures and other workplace rules. Neither are these procedures intended to replace or limit existing grievance or other internal investigative processes available to employees. [*Crown corporation*] retains the right to determine if any particular situation warrants an alternative investigative process.

Definitions

For purposes of these procedures, the following definitions apply:

Designated Officer – a senior official appointed by [*Crown corporation*] to receive and handle **disclosures** of **wrongdoing** under the Act. [*Crown corporation*]'s Designated Officer(s) is(are) _____.

Disclosure - a disclosure of **wrongdoing** made in good faith by an employee in accordance with the Act.

Good faith - means that the employee has a reasonable and genuine belief that wrongdoing has occurred or is occurring and is not making the disclosure for personal gain or with an improper motive, and is not making a repeated disclosure where a matter has already been disclosed and a determination has been made.

Wrongdoing - means:

- a contravention of any Act or Regulation (Provincial or Federal)
- an act or omission that creates:
  - a substantial and specific danger to the life, health or safety of persons; or
  - a substantial and specific danger to the environment.
- gross mismanagement of public funds or a public asset
- knowingly directing or counseling a person to commit a wrongdoing mentioned above.

Reprisal - means any of the following measures taken against an employee because the employee has, in good faith, sought advice about making a disclosure, made a disclosure, co-operated in an investigation pursuant to the Act or declined to participate in suspected wrongdoing:

- dismissal, layoff, suspension, demotion or transfer, discontinuation or elimination of a job, change of job location, reduction in wages, change in hours of work or reprimand;
- any other measure that adversely affects the employee's employment or working conditions; or
- a threat to take any of the measures noted above.

Procedures

If an employee opts to make a disclosure to the Designated Officer, the following procedures apply.

1. Making a Disclosure

Any disclosure under these Procedures, including a disclosure involving senior management, is to be made to the Designated Officer in writing on the form prescribed in the Act, and should be sent by interoffice or regular mail, in a sealed envelope marked "Personal and Confidential" which shall be forwarded, unopened, to the Designated Officer.

The employee making the disclosure is to provide only that information as is reasonably necessary to make the disclosure. The employee must take reasonable care to ensure that the information is accurate and relevant. The information should be factual and should not contain conclusions or speculations. The employee must not undertake their own investigation or go looking for information which is not otherwise properly available to them in the course of their employment or to which they otherwise have a right of access. Improper accessing of information may itself constitute wrongdoing. The Designated Officer may request that the employee provide any additional information that may reasonably be required to investigate the disclosure.

2. Referral

[Crown corporation] retains the prerogative to determine if any particular situation, due to its nature or other relevant circumstances, ought reasonably to be referred to another government institution for handling. The decision to refer a disclosure to another government institution shall be made by the Designated Officer within thirty days of the receipt of the disclosure and shall be communicated to the employee who made the disclosure.

3. Receipt and Review of Disclosures

On receiving a disclosure, the Designated Officer shall immediately register the receipt in a log and open a file for the same, which shall be kept in a secure location. The Designated Officer will consider whether or not a meeting or conversation is required with the employee in order to discuss the disclosure and if required, all efforts should be made by the Designated Officer to do so as quickly as possible, taking into consideration the nature of the alleged wrongdoing. If the Designated Officer

concludes a meeting or conversation is not required then the Designated Officer should at least acknowledge receipt of any disclosure made from the employee.

The Designated Officer shall determine whether the disclosure alleges wrongdoing which is covered by the Act and will do a preliminary review to determine if the disclosure is credible and genuine. No investigation will be undertaken if the disclosure is frivolous, vexatious, has not been made in good faith, concerns a trivial matter, or where too great a time period has elapsed between the date when the subject-matter of the disclosure arose and the date when the disclosure was made such that an investigation would not serve a useful purpose. Otherwise, the Designated Officer shall conduct, or direct, an internal investigation which protects the integrity of these Procedures and is in keeping with these Procedures and the Act. The Designated Officer should inform the employee whether or not an investigation is being conducted, within a reasonable period of time from receiving a disclosure.

4. Investigating Disclosures

The Designated Officer may, in his/her sole discretion, consult with any member or committee of management or the board of directors who is not a subject of the allegations in the disclosure and who may have appropriate and necessary expertise to assist in conducting the investigation, to either act as a consultant through the investigation, or to assist in recommending appropriate action. The Designated Officer shall have access to all books and records of *[Crown corporation]*, for the purposes of conducting an investigation. *[Crown corporation]*'s directors, senior management and other employees are expected to fully cooperate in an investigation. Failure to do so on the part of any employee may be met with discipline.

If in the opinion of the Designated Officer, it would be inappropriate for him or her to deal with the disclosure either because of the nature of or the persons involved in the alleged wrongdoing, the Designated Officer may refer the disclosure to the Public Interest Disclosure Commissioner and the Designated Officer should notify the employee of such.

Investigations will be undertaken as quickly as possible having regard to the nature and potential risk associated with the disclosure. When the alleged wrongdoing constitutes an imminent risk of a substantial and specific danger to either the life, health or safety of persons, or to the environment, or could have serious financial or legal consequences for *[Crown corporation]*, the Designated Officer may take whatever action he/she deems appropriate in the circumstances to prevent potential or actual wrongdoing before an investigation has been undertaken or completed. In addition, unless the allegations involve members at the senior management level, the Designated Officer should immediately notify the President and appropriate members of senior management of the potential risk.

Once a disclosure is filed with the Designated Officer, it cannot be withdrawn.

All parties to an investigation will be treated fairly. Within thirty days of the conclusion of the investigation, a corporate decision on the alleged wrongdoing will be made by the Designated Officer. The personal motivation of the employee who made the disclosure will not affect the consideration of whether or not the disclosure is substantiated. If the Designated Officer determines that the disclosure has been substantiated, any employee who committed a wrongdoing will be subject to appropriate disciplinary action up to, and including termination of employment. The Designated Officer will, after consultation with the supervisor, divisional Executive Member involved and/or the President and CEO, as applicable, determine and implement the appropriate measure of discipline. Each individual case will require discretion and judgment. Discipline will depend on the nature and the severity of the wrongdoing and the circumstances surrounding such.

The Designated Officer will also determine and implement, or recommend, again after consultation with the supervisor, divisional Executive Member involved and/or the President and CEO, as

applicable, other corrective or remedial actions to be taken. Appropriate measures will also be taken to prevent further violations. The Designated Officer will also take necessary actions to review and confirm that the corrective actions have been implemented.

5. Recording and Reporting of Disclosures

The Designated Officer of *[Crown corporation]* will maintain the log of complaints and individual disclosure files, tracking the receipt, actions taken and the outcome. These records are the property of *[Crown corporation]* and will be maintained in accordance with applicable laws and *[Crown corporation]*'s document retention policies, subject to appropriate safeguards to ensure their confidentiality, but also in a manner which will serve *[Crown corporation]*'s overall compliance initiatives.

Unless there exists a legal requirement or other public interest to the contrary, the employee who made the disclosure will be informed of the outcome of the investigation to the extent it is possible to do so.

[*Annually or twice annually or quarterly*], the Designated Officer will provide the [*committee*] of the Board of Directors with a summary of the number and nature of any reported disclosures and the status, or the conclusions and outcome, of any investigations. He/she will advise the [*committee*] of the Board of Directors promptly of any disclosure which may have significant and material consequences for *[Crown corporation]*.

The Designated Officer will prepare and submit to the Ministry responsible for administration of the Act, a report on all disclosures made in the reporting period in accordance with the Act. A copy of the report will also be provided to CIC.

6. Confidentiality of Information and Protection of Identities

Any disclosure made in accordance with these Procedures is considered confidential but on the record. Confidentiality will be respected unless there is an imminent risk of a substantial and specific danger to either the life, health or safety of persons, or to the environment.

The identities of those involved in the disclosure process, including the employee making the disclosure, witnesses and persons alleged to have committed a wrongdoing, and the circumstances relating to the alleged wrongdoing, will not be shared with anyone except as is necessary in accordance with the principles of procedural fairness and natural justice to investigate the disclosure, to take corrective, remedial or disciplinary action with regard to a substantiated wrongdoing, to comply with these Procedures and the Act, or where required by law.

Any sharing of information will be carefully and sensitively evaluated, and done on a need-to-know basis as determined by the Designated Officer, and can arise in the course of, or as a result of an investigation. Any employee or external party, who is privy to information regarding a disclosure, whether he/she made the disclosure, is entrusted with information in the course of an investigation, or otherwise has knowledge relating to the disclosure, is expected to hold the information in confidence. The failure to do so by any employee may be met with discipline, up to and including dismissal.

7. Reprisal

The Act offers protections from reprisal against employees who, in good faith, make a disclosure in accordance with the Act.

Any reprisal against an employee who makes a disclosure or against any witness or other participant in an investigation is strictly prohibited and will not be tolerated. Any agent or contractor of *[Crown corporation]* who engages in a reprisal against an employee will be subject to any remedies permitted by law.

Any employee who reasonably believes that he/she is being subjected to a reprisal as a result of making a disclosure or cooperating or assisting in an investigation should promptly inform the Designated Officer. Reasonable and appropriate actions will be taken to protect the employee from a reprisal. This protection does not extend so far as to insulate the employee from any repercussions if the employee was involved or complicit in the disclosed wrongdoing. Employees also have the option to submit a complaint of reprisal, in the prescribed form, to the Public Interest Disclosure Commissioner.

[Crown corporation] employees who are not involved in an investigation under these Procedures shall not make any effort, nor tolerate any effort, to ascertain the identity of any person involved in an investigation, whether that be the person who made the disclosure, the person who allegedly committed the wrongdoing or any witnesses.

If there is reasonable evidence that a disclosure was not made in good faith, disciplinary action may be taken against the employee who made the disclosure. If an investigation uncovers no wrongdoing or if the alleged wrongdoing cannot be substantiated, but there is no evidence that the disclosure was not made in good faith, no action will be taken against the employee who made the disclosure.

8. Other Avenues

The Designated Officer may, as deemed necessary or appropriate by him or her, retain independent legal, financial or other professional advisors or external authorities to investigate any disclosure of wrongdoing, report the results of the investigation(s), and provide recommendations for appropriate corrective or remedial action.

If any investigation under these Procedures leads to the reasonable conclusion that a crime has, or may have been committed, the results of the investigation may be reported to the appropriate law enforcement agency. If any investigation under these Procedures leads to the reasonable conclusion that an employee has engaged in conduct which is, or may be a violation of an applicable code of conduct of any professional association of which the person is a member, or to which the person belongs, the results of the investigation may be reported to the professional association by the Designated Officer.

In a situation where a disclosure of wrongdoing or reprisal has been made or referred to the Public Interest Disclosure Commissioner, the Designated Officer and any other [*Crown corporation*] employees involved shall co-operate fully with the Commissioner.

Purchase or Disposition of Real Property

Issue Date: November 1, 2004
Revised Date: June 1, 2020

Authority:

The Crown Corporations Act, 1993
CIC Board Minute - # 211/2012

Applicability:

The policy applies to CIC, its subsidiary Crown corporations, and wholly-owned subsidiaries incorporated under *The Business Corporations Act*.

Purpose:

This policy has been prepared to ensure that the real property transactions carried out by the CIC Crown sector remain accountable and transparent to the Government, the Legislature and the public, regardless of whether they are carried out through a Crown corporation directly or indirectly through its subsidiaries incorporated under *The Business Corporations Act* or otherwise.

Policy Statements:

CIC, CIC Crown corporations or designated subsidiary Crown corporations will interpret subsection 31 in *The Crown Corporations Act (1993)* as follows:

Any Crown corporation, designated Crown corporation or wholly owned subsidiary of a Crown corporation wishing to purchase or dispose of real property with a value which is above that which has been established for each Crown corporation through Order-in-Council must seek the approval of the Lieutenant Governor in Council before the purchase or sale.

- Refer to Appendix A for an example of the wording of an Order-in-Council requesting approval of a real property transaction where the purchase or sale price is above the value fixed by the Lieutenant Governor in Council.

Saskatchewan Government Insurance (SGI) has been granted the following special considerations relevant to this policy:

SGI

The $1 million Order-in-Council approval threshold applies ONLY to real property transactions that occur within SGI's normal business operations. Any real property transactions that occur within SGI's investment portfolio would be excluded from the $1 million threshold referred to in this policy as it would be too restrictive and ineffective.

Background:

In July 2005 the CIC Board approved a standard, Order-in-Council approval threshold of $1 million for the acquisition and disposition of real property and directed Crown corporations to amend relevant legislation (as other legislative changes were made) to allow for the setting of the transaction limit by the Lieutenant Governor through Order-in-Council.

Administrative Information:

Contact:
Owner: General Counsel and Corporate Secretary, CIC, (306) 787-0542
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Appendix A

An example of the wording of an Order-in-Council would be as follows:

> On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that [Crown] is authorized to [purchase/sell] the following property from [purchaser/vendor] for a [purchase/sale] price not to exceed [$_____] exclusive of adjustments.
>
> Surface Parcel: _____
>
> Reference Land Description: _____
>
> Location: _____

Workplace Business Solicitation Policy

Issue Date: April 22, 2010
Revised Date: June 1, 2020

Authority

The Crown Corporations Act, 1993
CIC Board Minute - #45/2010

Applicability

This policy is applicable to CIC and all CIC subsidiary Crown corporations.

Purpose

The policy addresses those situations where a business either seeks access to Crown corporation premises, or has been invited by a Crown corporation's staff, for the primary purpose of the business selling its products and/or services to a group of the Crown corporation's staff.

The policy is not intended to apply to businesses that are providing products or services under contract to the Crown corporation (e.g. facility cleaners, consultants, office equipment suppliers, caterers, etc.), nor to situations where a business has won a Crown corporation-led transparent "request for proposals" process to provide a product or service.

The policy is not intended to apply to non-profit businesses.

Definitions

Business solicitation -- Activity associated with describing, demonstrating and/or promoting one's products and services for the personal information of one or more Crown corporation staff, on Crown corporation premises.

Policy Statements

The Crown corporation's President or his/her delegate shall authorize or deny in writing all requests made by, or on behalf of, an outside business interested in soliciting business from a Crown corporation's employees and intended to take place in the Crown corporation's workplace.

All requests for a President's or delegate's authorization to allow an outside business to conduct a business solicitation to a group of the Crown corporation's staff must be accompanied by adequate background information to enable an informed decision to be made whether to authorize or deny the request.

Business solicitation requests must be accompanied by an outline of the business's primary local competitors. It is the President's or delegate's responsibility to determine if authorization to allow the business solicitation request to proceed should be accompanied by an offer to one or more local

competitors to also make a proposal to sell its products and/or services to a group of the Crown corporation's staff. It is also the President's or delegate's responsibility to determine if authorization to allow the business solicitation request to be granted should be accompanied by terms and conditions.

Crown corporation staff attending a business solicitation presentation must be provided with a written "Disclaimer" from the Crown corporation stating that the Crown corporation does not necessarily endorse, sponsor or provide any recommendation whatsoever in regard to the product and/or service being presented. A similarly worded "Disclaimer" should also be provided by the Crown corporation to the business conducting the business solicitation presentation.

Crown corporations may develop more detailed and specific business solicitation guidelines to address particular corporate circumstances. Customized Crown corporation business solicitation guidelines must be consistent with these Crown Sector Business Solicitation Guidelines. Customized guidelines must include provision for the Corporation's President or his/her delegate to authorize business solicitation requests. A copy of the Crown corporation's customized business solicitation guidelines must be provided to CIC.

Background

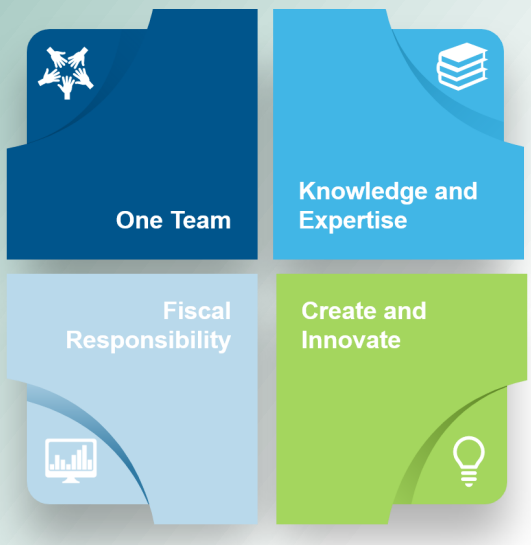
Crown corporations should attempt to achieve both fairness and openness when considering inviting/allowing a particular business to conduct a business solicitation. Fairness includes considering whether the proposed invitee business is not unwittingly granted access that could be legitimately contested by a business competitor. Openness includes allowing the local competitors of the business to be given an opportunity to make a proposal to the Crown corporation for similar access to the Crown corporation's employees.

Administrative Information

Contact:
Owner: General Counsel and Corporate Secretary, CIC, (306) 787-0542
Executive Sponsor: Vice President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020

Performance & Financial Management Policies



CIC

Crown Investments Corporation of Saskatchewan

Authorization and Disclosure of Subsidiary Investment Activities

Issued Date: June 16, 1998
Revised Date: March 13, 2020

Authority:

The Crown Corporations Act, 1993
CIC Board Minute - #31/2006

Applicability:

The policy applies to CIC, all CIC Crown corporations and wholly-owned subsidiaries incorporated under *The Business Corporations Act* ("BCA").

Purpose:

This policy has been prepared to ensure that the investing actions (i.e. the acquisition and disposition of financial securities) carried out by the CIC Crown sector remain accountable and transparent to the Government of Saskatchewan, the Legislature, and the public, regardless of whether they are carried out through a Crown corporation directly or indirectly through its wholly-owned subsidiaries incorporated under the BCA.

Policy Statement:

CIC, CIC Crown corporations and subsidiary Crown corporations will interpret subsection 29(1) in *The Crown Corporations Act, 1993* as follows*:*

Any Crown corporation, designated Crown corporation or wholly owned subsidiary, is required to seek the approval of the Lieutenant Governor in Council in order to purchase shares, bonds, debentures or other securities.

Subsection 4(2) of the The Crown Corporations Regulations, 1993 contain Crown-specific exemptions where the approval of the Lieutenant Governor in Council is not required.

Process:

All CIC Crown corporations and wholly-owned subsidiaries must obtain Order-in-Council approval before purchasing shares, bonds, debentures, or other securities where an exemption under subsection 4(2) within *The Crown Corporations Regulations, 1993* does not apply, and notify CIC's Chief Financial Officer at least 5 business days prior to the date of purchase. Significant transactions, as defined in the Significant Transaction Reporting Policy, are to be reported to the Standing Committee on Crown and Central Agencies within 90 days regardless of whether a regulatory exemption from an Order in Council exists.

Administrative Information:

Contact:
Owner: Executive Director, Finance & Administration Division, CIC, 306-787-7286
Executive Sponsor: VP & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: March 13, 2020

Dividend Policy

Issue Date: August 1997
Revised Date: March 26, 2020

Authority:

The Crown Corporations Act, 1993
CIC Board Minute - # 99/2011

Applicability:

This policy applies to all CIC subsidiary Crown corporations that meet the following general criteria:

- Subsidiaries that have the ability to pay dividends within legislative constraints (i.e. a Crown corporation can only pay dividends to the extent of retained earnings per O/C 1830/83); and
- Subsidiaries that have the ability to fund their operating cash flow requirements with internally generated cash on an ongoing basis (i.e. those that do not rely on operating subsidies or grant funding from CIC or from the General Revenue Fund (GRF)).

On an annual basis, CIC will review the applicability of the above criteria to each subsidiary Crown corporation to judge whether the criteria for payment of dividends to CIC are met.

Purpose:

The intent of this policy is to provide the Shareholder's considerations and priorities in determining dividends to CIC. Crowns must adhere to this policy statement when setting their in-year dividend target and making capital allocation decisions through multi-year planning processes.

Policy Statements:

CIC subsidiary Crown corporations shall, subject to the applicability criteria, provide an annual distribution to the shareholder, primarily through a dividend to CIC:

- In an amount ordinarily not to exceed 90 percent[1] of earnings from operations; and
- That considers reinvestment needs and capital structure targets over the medium term[2].

The percentage of operating earnings paid as a dividend is to be determined by the CIC Board of Directors during its annual review of Crown Performance Management and Capital Allocation Plans, and revised if required, upon Cabinet finalization of the Summary Budget.

CIC requires that a Crown's dividend:

- Prioritize allocation of scarce capital within the CIC Crown corporation sector;
- Provide reasonable financial return to CIC as the shareholder;
- Protect the long-term financial flexibility of CIC and subsidiary Crown corporations;
- Be consistent with commercial practices where appropriate; and,
- Be transparent and provide accountability to the public.

[1] Lotteries and Gaming Saskatchewan's (LGS) dividend payments to CIC combined with the legislated payments to the General Revenue Fund are not to exceed 90% of net earnings. Further discussion is provided in the Crown Specific Consideration section of the policy.

From time to time, Crown corporations may be requested to provide special dividends that exceed 90 percent of earnings from operations. This may be warranted due to transactions falling outside the ordinary course of business that generate significant amounts of cash or cash availability. Further, extraordinary cash requirements of CIC the Crown sector or the GRF may also necessitate a higher dividend.

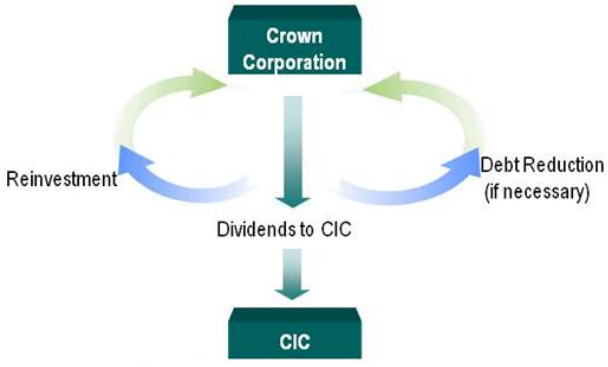
As specific issues arise that are not explicitly addressed within this policy, judgment must be used to apply this policy in a fashion which is consistent with the overall principles. In the event new issues arise which represent a material departure from the principles addressed in this policy, CIC and the CIC Board will determine how best to effectively address these changes as appropriate.

Background:

Dividends paid to CIC as shareholder represent both a return on invested capital and a mechanism for allocation of capital within the Crown sector. A decision by the CIC Board to require a particular level of dividend from each subsidiary Crown is a reflection of the relative priorities of each competing use of cash generated by subsidiaries. Generally, uses of cash generated by operating activities may be classified into three categories:

- Reinvestment back into the subsidiary Crown corporation to sustain, grow, or diversify the business (the investment decision);
- Reducing debt (or increasing the level of equity capitalization in relation to liabilities in the case of SGI CANADA (SGI)) in order to maintain or to improve financial flexibility (the capital structure decision); or,
- Returning cash to the shareholder in the form of a dividend (the dividend policy decision).

In general, dividends should be sustainable. That is, dividends should not be set so high as to erode the financial flexibility of Crowns, or to unduly impair their ability to restore financial flexibility where debt (unpaid claims at SGI) is too high.



As indicated in the preceding figure, since dividends are an alternative use of subsidiary Crown corporations' cash profits, the dividend policy decision must be integrated with the investment and financing decisions. That is, dividends cannot be determined in isolation from decisions to reinvest in a subsidiary, or to apply cash profits to reducing debt (increasing equity capitalization at SGI) or otherwise increasing retained earnings to improve financial flexibility.

General Provisions:

In assessing current year dividend recommendations for individual Crown corporations, CIC will take into consideration the reinvestment and financing decisions to be made by Crown corporations over the medium term. That is, on a rolling three year basis, each Crown corporations' projected capital needs and projected capital structure targets will be reviewed to determine its ability to meet current year dividend requirements and maintain or work toward achievement of its medium term financial targets. In this way, future capital needs are considered in current year dividend decisions.

In the case where a Crown corporation has achieved its target capital structure and projects that it will maintain its target capital structure over the medium term, a sustainable dividend payout rate is one which first allocates sufficient capital to carry out approved capital spending, while allowing the target debt ratio[3] to be maintained. When subsidiary Crown corporations have the ability to sustain the target debt ratio over a multi-year period, a dividend at or near the 90 percent maximum would be expected. Where a Crown corporation is forecast to exceed its debt target or requires re-investment to support growth or business sustainment in excess of its financial flexibility, a lower dividend would be recommended that balances a Crown corporation's needs with those of CIC and the GRF.

Dividends are based on earnings from operations, which excludes any non-cash fair market value adjustments on items such as derivatives or inventory. Taking dividends from these non-cash gains or reducing dividends for non-cash losses would result in significant volatility to CIC's earnings and potentially result in an inability to meet GRF dividend requirements despite sufficient cash available in the sector.

In assessing the relative priority of alternative uses for available cash profits from subsidiary Crown corporations, the CIC Board will consider the need to protect CIC's financial flexibility. That is, the CIC Board will consider the need to allocate available cash flows to CIC's priority needs such as public policy initiatives or dividends to the GRF.

Specific Crown Corporation Considerations

Lotteries and Gaming Saskatchewan (LGS) is required, via legislation, to transfer 50% of its Saskatchewan Gaming Corporation earnings to the First Nations Trust, Community Initiatives Fund and Métis Development Corporation (Clarence Campeau Development Fund). LGS is required, via legislation, to transfer 50% of its Online Gaming earnings to the First Nations Trust. As per the Gaming Framework Agreement, LGS transfers 75% of Saskatchewan Indian Gaming Authority earnings to the First Nations Trust and the Community Development Corporations. In determining the dividend payable to CIC, dividends are based on LGS's net earnings after the legislated payments to the GRF and are not to exceed 80% of adjusted net earnings.

CIC Asset Management Inc. shall, when applicable, provide an annual dividend to CIC in an amount based on residual cash after other obligations are satisfied and that ensures an appropriate cash reserve is maintained. The annual dividend target and the appropriate cash reserve is to be determined by the CIC Board of Directors.

The Auto Fund is managed by SGI on behalf of Saskatchewan residents. The Auto Fund is not expected to earn a return for the Province as it is managed on a self-sustaining (i.e. break-even) basis and does not receive money from, nor pay dividends to, the Government of Saskatchewan.

[3] Debt ratio for SGI CANADA is measured by its capital adequacy through the MCT measure while at LGS, it is measured through financial leverage defined as debt to EBITDA (earnings before interest, taxes, depreciation, and amortization and excludes any extraordinary gains and losses).

Consistency with Commercial Practice

In general, dividends should be consistent with each subsidiary's industry practice. However, caution must be used to ensure that both similarities and differences with industry peers are given due consideration. For example, industry average dividend payout rates reflect a variety of factors, including the overall state of health within an industry, the unique circumstances of each participant, and tax applicability, among others. Accordingly, industry practice may be used as a "reasonableness check" in establishing dividend amounts.

Transparency to the Public

CIC should inform the public annually on the method used to determine dividend amounts through CIC's annual reports and other appropriate means. Public communications should explain the major elements of the dividend policy.

Process

Unless otherwise directed by the Vice President & Chief Financial Officer of CIC, annual dividends shall be paid by subsidiary Crown corporations to CIC in quarterly installments by September 29, December 30, March 30, and June 29 (or by the preceding business day where any of these days falls on a non-business day). Payments should be rounded to the nearest thousand.

Dividends on each three months earnings will be paid quarterly with a one quarter lag. For example, the dividend on a subsidiary's first quarter earnings would be paid by September 29. The purpose of the one quarter lag is to allow sufficient time for year-end figures to be audited, such that the final dividend payment reflects audited actual results. The calculation of earnings from operations for dividend purposes should be included in the regular quarterly reporting package to CIC.

Dividends will be paid in quarterly installments as described in further detail below:

- A dividend payout rate for the upcoming year, based on the dividend policy and subject to other relevant considerations, will be authorized in conjunction with each Crown corporation's Performance Management and Capital Allocation Plan approval by the CIC Board of Directors, typically in January of each year.

- The first quarter installment, payable by September 29, is 25 percent of the estimated dividend approved for the year by the CIC Board of Directors based on the approved dividend rate and the corporation's budgeted earnings from operations.

- Subsequent quarterly installments are calculated based on a proportionate share of the updated dividend forecast. For example, the Q3 declared dividend is 75 percent of the most recent annual dividend forecast, less installments previously paid in the first and second quarters.

- In the event that a Crown corporation's actual cumulative installments paid exceed an amount that should have been payable under a current forecast (e.g. if forecasted earnings from operations drop substantially in the fourth quarter, but dividend installments that were paid exceed what should have been paid under the current forecast), CIC will consider those payments as credits toward the next installment(s) payable or reimburse the payment to the Crown corporation.

Dividend Deferral

Occasionally, Crown operational results will restrict the ability to declare a quarterly dividend according to

the instalment formula above due to unforeseen operational circumstances, or extreme cash flow fluctuations. In these circumstances, Crowns must seek permission to declare a dividend less than specified in the formula above by contacting CIC's Chief Financial Officer within 10 business days after quarter's end. The request must provide support for the causes of the dividend deferral and the Crown's forecast dividend schedule for the remainder of the fiscal year with the deferral included.

Changes to the dividend forecast caused by lower earnings forecasts should be communicated through normal CIC channels and do not require Crowns to seek permission of CIC's Chief Financial Officer. Requests for dividend deferral where Crowns have achieved debt levels below the in-year CIC Board approved target, or where Crowns have prioritized capital spending to the detriment of positive cash flow will not be considered.

Administrative Information:

Contact:
Owner: Executive Director, Finance & Administration Division, CIC, 306-787-7286
Executive Sponsor: VP & Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: March 26, 2020

Performance Management Policy

Issue Date: March 4, 1999

Revised Date: April 29, 2002; October 4, 2012; December 19, 2016

Authority:

The Crown Corporations Act, 1993
CIC Board Minute Number 169/2012

Applicability:

This policy applies to CIC and all its subsidiary Crown corporations.

Purpose:

The intent of this policy is to outline the process for decision makers to approve, monitor, evaluate, and enhance performance at each of CIC's subsidiary Crown corporations. It is also intended to ensure that an external balanced scorecard reporting system exists for presenting Crown corporation performance to the public on an annual basis.

Definitions:

Performance Management **-** The process that monitors, evaluates, and enhances Crown strategies and links expectations of the CIC Board with individual Crown corporation business strategies, initiatives, and resource deployment. Performance management sets up management accountabilities, monitors and reports on key business objectives intended to drive business success, gauges the results of operations and activities of the organization, and allows comparison to the final results.

Balanced Scorecard **-** A management tool that translates and integrates broad strategy into tangible business objectives and measures intended for application across an organization. The balanced scorecard system evaluates performance in the areas of finance, innovation and growth, customer satisfaction, and internal operations, adapted from the four perspectives in the original Kaplan and Norton balanced scorecard model. Each Crown corporation's strategic priorities within these perspectives should be the foundation for the balanced scorecard.

Balanced Scorecard Measures and Targets **-** Balanced scorecards should have a balance of leading and lagging measures that will enable the corporation to show progress in implementing initiatives (leading) and show the success of those initiatives (lagging). In addition, where possible, outcome measures that track the ultimate success of an initiative are preferable to output measures that track the steps along the way. Measures should be key, meaningful, controllable, and have easily understood benchmarks when possible. Targets are quantifiable or observable goals for each measure which become the overall performance management goals of the organization. While the CIC Board only approves the targets for the upcoming year, targets should extend out a minimum of five years. As well, a long-term target should be set, if possible, to provide a strategic view of the future.

Capital Spending Approval - An annual dollar amount, authorized by the CIC Board, for reinvestment in the Crown corporation to sustain, grow or diversify. The distribution of spending within the capital spending approval is the responsibility of each Crown corporation board, subject to consistency with other policies and balanced scorecard objectives, measures and targets. In authorizing this annual amount, consideration is given to the competing uses for cash, including debt reduction required to improve financial sustainability and dividend payments to provide a return to the shareholder. Dividend payments are established in alignment with the CIC subsidiary Crown *Dividend Policy*.

Policy Statements:

The Performance Management Policy sets out guidelines to ensure alignment of individual Crown corporation business plans to overall shareholder direction as indicated in the Crown Sector Strategic Priorities. These guidelines also become the foundation for establishing best practices for balanced scorecards.

CIC and its subsidiary Crown corporations are responsible for submitting comprehensive Performance Management and Capital Allocation Plans (PMCAP), including balanced scorecards, key financial targets, and capital spending allocation plans on an annual basis, to be reviewed and approved/amended by the CIC Board. The Crown Sector Strategic Priorities and the PMCAP together form an integrated strategic management system for the Crown sector.

The PMCAPs must comply with the CIC Board's existing policies that pertain to subsidiary Crowns as detailed in CIC's Subsidiary Crown Policy Manual such as the *Dividend Policy, Governance Policy for Crown Held Subsidiaries, Enterprise Risk & Opportunities Management Minimum Standards*, etc.

Background:

The performance management system seeks to balance the need for corporate operational autonomy with accountability to the CIC Board and the public. By requiring Crown corporations to develop annual performance plans and balanced scorecards, the performance management system allows Crown corporations to test their business strategies by:

- defining the strategic plan in performance terms;
- providing a feedback system that allows for testing the validity of the strategy and the opportunity to modify;
- encouraging accountability by articulating clear expectations and by assigning responsibility for achieving specific results; and,
- enabling the evaluation of the quality of the organization's initiatives against performance results.

General Provisions:

Crown Sector Strategic Priorities

The CIC Board is responsible for establishing the Crown Sector Strategic Priorities (CSSP). The CSSP are developed from the broader government vision, focusing on the government's priorities for the sector and the strategic priorities of each of CIC's subsidiary Crown corporations. They provide overall strategic direction for the entire Crown sector and outline different areas that are deemed critical for achieving the government's goals for sector wide business success.

The CSSP elements must be a part of every Crown corporation's PMCAP. Adhering to this requirement helps to ensure that each Crown corporation's corporate strategy is aligned with government strategic direction.

Performance Management Improvement Plan

On an annual basis, CIC will prepare a Performance Management Improvement Plan (PMIP). The PMIP will be distributed to Crowns, typically in May or June, to relay key shareholder direction as preparations for PMCAPs begin for the upcoming year. Specifically, the PMIP will:

- ensure a consistent message to the subsidiary Crown corporations on shareholder direction;
- engage subsidiary Crown corporations in a discussion about potential improvements to their strategic plans and/or balanced scorecards; and,
- discuss any other potential improvements to the Crown sector performance management system.

Performance Management Forum(s)

The purpose of the Performance Management Forum(s) is to improve the Crown sector performance management system through the exchange of information and discussion. Subsidiary Crown officials involved in the performance management process are invited to attend the forums. Members are encouraged to actively represent the perspectives and viewpoints of their Crown to the forum.

Performance Management Approval Process

CIC will advise subsidiary Crown performance management practitioners annually, in or around October, of the specific deadlines within the following months for completing elements of the next year's PMCAP. The approval process typically begins with the submission of the Crown corporation's PMCAP to its Board for approval in November. Approved plans are subsequently submitted to CIC staff for analysis and preparation of decision items for the CIC Board. Decision items are typically completed by CIC in December, at which time they are provided to Crown officials for comment before being provided to the CIC Board.

To promote further efficiency in the approval process, Crown corporations are encouraged to send draft PMCAPs to CIC in advance of Crown Board approval. This process allows for earlier feedback and clarification, and it ensures fewer points of contention in each Crown corporation's Board approved plan.

Performance Management Days

Performance Management Days (PMD), usually scheduled for mid-January each year, give the CIC Board a full strategic and financial overview of the sector and details related to each Crown corporation. Each Crown corporation Board Chair and President have an opportunity to present and request approval of its PMCAP for the coming year, followed by CIC's presentation of its analysis and recommendations. Following consideration, the CIC Board will ratify/modify/direct changes to the corporation's plan. Following PMD, CIC will notify each Crown corporation President and Board Chair of the CIC Board's decisions.

Crown corporation plans are subject to change following PMD as a result of Cabinet Budget Finalization (CBF). Decisions made during CBF will be ratified and relayed to the affected Crown corporations.

Each Crown corporation and its board are responsible for overseeing the implementation and achievement of the approved PMCAP. Any changes to Crown corporation plans following PMD approval require CIC Board approval. This includes changes to the balanced scorecard targets and increases to the capital spending approval. Such changes should not be frequent or a usual occurrence.

Internal Audit of Crown Balanced Scorecard

The balanced scorecard is a strategic planning and management system that facilitates alignment of business activities to the strategy of an organization. As such, this tool must be a credible reflection of performance to stakeholders and the public as well as a valuable tool for internal strategic planning. To ensure this, measures must be:

- Relevant – The measures must clearly link to the corporation's strategic objectives and drive the correct behaviors required to achieve them;
- Reasonable – The measures must be supported by a methodology that is capable of yielding accurate results; and,
- Accurate – The measures must be consistently calculated as per the documented methodology.

To ensure achievement of the above principles, Crown corporations must periodically (based on risk profile) include a balanced scorecard review as part of their internal audit plan and ensure measures are reported as per the CIC Board approved plans. This process will also identify areas of opportunity and improvement as well as highlight any action plans and assign accountability to the measures.

Quarterly Reports

CIC will compile and provide a performance management report to the CIC Board on behalf of the Crown sector on a quarterly basis. Subsidiary Crown corporation reports should be submitted to the CIC Analyst responsible for their Crown corporation within the timeframe detailed in the request sent by CIC to Crown corporations each quarter.

These reports are the primary means of monitoring progress of the approved PMCAPs. As such, balanced scorecard measures and targets must mirror those approved by the CIC Board in each Crown corporation's PMCAP for the year. Quarterly reports should include information on all balanced scorecard measures and targets, comparative financial statements, and variance analysis. Quarterly reports should also include background commentary identifying risks and opportunities, and discuss key achievements of interest to the CIC Board. CIC will review and report the results to the CIC Board each quarter and provide copies of the information provided to the CIC Board back to each Crown corporation President.

Periodically, material business changes occur and result in changes to a Crown corporation's capital spending approval and/or balanced scorecard measures and targets. These changes will require CIC Board approval prior to implementation. Such changes should not be frequent or a usual occurrence.

Public Disclosure

Crown corporations must balance their business needs with being accountable and transparent to the people of Saskatchewan. The performance management and balanced scorecard system acts as the window for accountability and transparency to the public. As such, these tools become the foundation for relaying company vision, purposes, values and objectives in each Crown corporation's annual report. Specific objectives, measures and targets, as detailed in Crown corporation balanced scorecards, are not only used to determine internal company objectives, but also to enhance public accountability and public knowledge of operational success.

Most of CIC's subsidiary Crown corporations operate in a competitive environment where operations could be unduly impaired by disclosing commercially sensitive information. As such, Crown corporations should disclose strategic planning and performance management information taking into consideration the need to protect those aspects of its operations that are commercially sensitive. Best practice standards of disclosure such as those set out by Chartered Professional Accountants Canada (CPA Canada), the Canadian Securities Administrators (CSA), and the Conference Board of Canada (CBoC) should be looked to as reference areas.

Biennially, Crown corporation annual reports are subject to review by the CBoC, which analyzes the reporting and disclosure practices of CIC and its subsidiary Crown corporations and benchmarks practices against best and leading practices in Canada. The CBoC provides the results to CIC who reviews and relays the results to each Crown. Crown corporations are expected to stay abreast of industry best practices.

Executive Compensation

Crown corporation President and executives' corporate objectives and short-term incentives (STI) must be directly linked to balanced scorecard targets. STI targets are considered to be 'stretch' goals. Crown corporation Boards have the ability and responsibility to challenge management to ensure targets are truly 'stretch' in nature. Crown corporation Boards should look to historical trends and actual results when considering targets. A full description of the STI framework can be found in the *Crown Executive Compensation Policy and Procedures*.

Administrative Information

Contact: Vice President and Chief Financial Officer, CIC, (306) 787-6246

Reviewed: December 19, 2016

Sask First Investment Policy

Issue Date: February 29, 2012
Revised Date: February 4, 2016

Authority:

Crown Corporations Act, 1993
CIC Board Minute - # 41/2012

Applicability:

This policy applies to CIC and all CIC Crown corporations.

Purpose:

This policy supports the government's stated focus for the Crown sector to invest in infrastructure inside the province to support the development of a private sector-driven Saskatchewan economy.

Definitions:

Out-of-Province Investment - A purchase of securities or assets, outside the borders of Saskatchewan, the primary purpose of which is to gain profitable returns through income growth or appreciation in value. For purposes of this policy the definition does not include assets purchased to perform a contract for a third party or equipment required to support a Crown corporation's ordinary course of business as defined by each Crown corporation's core mandate.

Policy Statements:

The CIC Board of Directors (CIC Board) has approved the following statements that will guide the Crown sector's policy for current and future out-of-province investment by CIC Crown corporations:

- The government supports a Saskatchewan First Investment Policy;
- Out-of-province investment will generally not be supported;
- Where feasible, existing investments will be divested in a thoughtful manner with a goal to maximize returns; and,
- Proposed out of province investments will require approval by CIC Board and Cabinet and will not be considered unless they can be shown to support in-province operations.

Background:

The Saskatchewan First Investment Policy focuses Crown corporations investments in Saskatchewan unless an out-of-province investment supports in province operations. The policy ensures that Crown corporations investments are focused on core business areas, targeting enhanced customer service and financial sustainability. It also helps to prioritize Saskatchewan companies and support Saskatchewan's economy.

General Provisions:

CIC Board of Directors and Cabinet Approval

All out-of-province investments require the approval of the CIC Board and Cabinet.

Reporting

Crown corporations are required to include an analysis of out-of-province investments in their annual Performance Management and Capital Allocation Plans (see Performance Management Policy) for review by the CIC Board. Each individual investment in a portfolio should have specific short and long term financial and strategic targets. This would include a divestiture strategy in cases where investments have been identified for sale.

Crown corporations are also required to report on out-of-province investment performance to the CIC Board through the performance management quarterly reporting process. These reports will consider the performance of the investments against their stated financial and strategic targets. In cases where investments have been identified for sale, an update of divestiture status is required.

Third Party Reviews

Given the sensitive nature of out-of-province investments, Crown corporation management must complete a third party review for any new or materially restructured investment. Such a review would focus on the financial aspects of the transaction and would provide additional support to Crown corporation management, the CIC Board and Cabinet when reviewing the decision. Such reviews typically take the form of a fairness opinion, business valuation or business commentary, as determined by the size and scope of the investment.

Significant Transaction Policy

When acquiring or divesting of an investment, Crown corporations must consider the need for a significant transaction report (see Significant Transaction Reporting Policy).

Administrative Information:

Related Crown corporation policies:

- Performance Management Policy
- Significant Transaction Reporting Policy

Contact:
Owner: Director, Finance & Administration Division, CIC, 306-787-2714
Executive Sponsor: Vice-President and Chief Financial Officer, Finance & Administration, CIC, 306-787-6246

Reviewed: June 1, 2020

Significant Transaction Reporting Policy

Issued Date: August 1, 1997
Revised Date: March 23, 2020

Authority:

The Crown Corporations Act, 1993
CIC Board Minute - #31/2006
Rules and Procedures of the Legislative Assembly of Saskatchewan, Rule 145(4)

Applicability:

The policy applies to CIC and all CIC Crown corporations and wholly-owned subsidiaries incorporated under *The Business Corporations Act (BCA)*.

Purpose:

This policy has been prepared to ensure that the significant transactions carried out by the CIC Crown sector remain accountable and transparent to the Government of Saskatchewan, the Legislature, and the public, regardless of whether they are carried out through a Crown corporation directly or indirectly through its wholly-owned subsidiaries incorporated under the BCA.

Policy Statement:

In the interests of public accountability, CIC and all CIC subsidiary Crown corporations are required to report all significant transactions to the CIC Board and to the Standing Committee on Crown and Central Agencies (the "Committee").

Definitions:

Significant Transaction - Significant transactions are defined for the purposes of this policy as those:

- judged by the Crown corporation to be **sensitive** and likely of interest to legislators and the public; and/or
- where the transaction is both **material** and outside the **ordinary course of business** and involves
  - the acquisition of a major investment or asset, or the assumption of a major liability;
  - a change in the terms and conditions governing an existing investment or asset; or,
  - the divestment of a major asset or investment.

Assessing what is a significant transaction requires judgment. It is the responsibility of each Crown corporation to assess significance in consideration of the above noted factors. In addition, what is significant may vary from one Crown corporation to another and change over time.

Transactions that are not considered significant for purposes of this policy include, but are not limited to:

- Settlements under collective agreements, early retirement programs, corporate downsizing or internal re-organization;
- Utility rate increases;

- Capital spending exceeding one percent of assets, but which occurs in the ordinary course of existing business; or,
- The termination of "shell companies" (i.e. those with nominal or no assets and liabilities) unless the transaction is considered to be sensitive in nature.

Sensitive – Sensitivity normally pertains to items which are known to be of particular interest to legislators and/or the public. Examples include international investments and creation of new corporations. It is incumbent upon management of Crown corporations to assess whether a transaction is likely to be of interest to legislators and to report upon such transactions.

Material – Material transactions, for purposes of this policy, are defined as any exceeding one percent of total assets of the Crown corporation. Where a Crown corporation owns subsidiaries, material transactions undertaken by the parent corporation or any of its subsidiaries are defined as those exceeding one percent of assets of the consolidated reporting entity.

Material transactions for CIC are defined as any exceeding one percent of assets for CIC non-consolidated.

Ordinary Course of Business – A transaction is in the ordinary course of business when it is usually, frequently or regularly undertaken by the corporation for the purpose of generating revenue. A transaction may not be in the ordinary course of business if the transaction is of a size or type not usually undertaken by the corporation.

Transaction Date – The transaction date is the date the transaction substantively occurs. This would typically, but not always, be the date upon which funds are advanced or received (as opposed to the date a commitment is made).

Reporting Deadline – The deadline for reporting is 90 days from the **transaction date**. The notification or report (see Step 1 in Process) must be received and/or accepted by the appropriate parties within the 90-day period.

Process:

The following steps shall be taken by Crown corporations when reporting a significant transaction to the Committee:

1. Prepare written notification from the Minister of Crown Investments to the Chair of the Committee (see Appendix A for a sample template) describing:
    - the transaction, including parties involved, the timing, the effective dates of additional milestones or future contract stipulations;
    - its objectives, including insight into its strategic intent;
    - financial implications and statement of change in liabilities for the corporation and Saskatchewan;
    - the impact on strategic, public policy or non-financial issues; and,
    - the authority for the transaction.

    Note that the need for disclosure must be balanced with the legitimate need for confidentiality when required to protect commercially sensitive competitive information, or where bound by transaction confidentiality agreements. To the extent that a Crown corporation is required to hold information confidential by these considerations, it can submit a significant transactions report which includes a broad description of the transaction and the reason for the exclusion of confidential details.

2. **Notification of the transaction must be reported to the CIC Board prior to submitting notification to the Committee**. This is accomplished by submitting a copy of the letter/notification to the attention of the Vice President and Chief Financial Officer, Finance and Administration Division, CIC. The letter should be provided within 60 days of the transaction date. This will allow time for CIC to present the material to the CIC Board prior to the reporting deadline. The date of the letter should reflect the date of the CIC Board meeting to which it is to be presented (CIC will provide this date to the Crown corporation). CIC will attain the Minister of Crown Investments' signature on the letter at that meeting.

3. CIC will notify subsidiary Crown corporation officials of the Board's acceptance and forward the signed letter to the Crown corporation for formal submission. The signed letter must be submitted by the Crown corporation to the Chair of the Committee by the reporting deadline. It can send the letter directly to the Chair of the Committee or through the Office of the Clerk, Legislative Building, Regina, SK S4S 0B3.

A Crown corporation is considered to be in compliance with its reporting requirement to the Committee when a transaction has been reported to the CIC Board, notification of the transaction has been received by the Chair of the Committee, and details of the transaction have been appropriately disclosed (as outlined in Step 1 in Process).

Administrative Information:

Owner: Executive Director, PMFA, CIC, 306-787-7286 and Director, PMFA, CIC, 306-787-2714
Executive Sponsor: Vice President & Chief Financial Officer, CIC, 306-787-6246

Reviewed: March 23, 2020

Appendix A

LETTER TEMPLATE

Date *(the date of the letter should reflect the date of the CIC Board meeting at which it will be presented)*

Mr. John Doe, Chair
Standing Committee on Crown and Central Agencies
Room ____ Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. Doe:

RE: _____

Rule 145 (4) of the *Rules and Procedures of the Legislative Assembly of Saskatchewan*, requires that the Minister of Crown Investments provide certain information to your Committee on any significant transactions that are undertaken by the corporation or any of its subsidiaries. Accordingly, I am pleased to provide you with information on _____.

Situation Prior To Transaction *(provide brief high-level background that provides an indication as to the need/reason for the transaction, indicate parties to the transaction, and details of any current relationship between the parties, etc.)*

Objectives of the Transaction *(provide insight into the strategic intent, e.g. growth, diversification, public policy initiatives, divest to free up cash, etc., and should flow from the "situation prior to the transaction")*

The Transaction *(provide a brief description of parties to the transaction, timing of the initial transaction, effective dates of additional milestones or future contract stipulations, etc.)*

Implications of the Transaction *(provide a brief description of the impact, if any, on the Crown and Summary financial position including potential implications on CIC/General Revenue Fund dividends, and the impact on non-financial/strategic issues, etc.)*

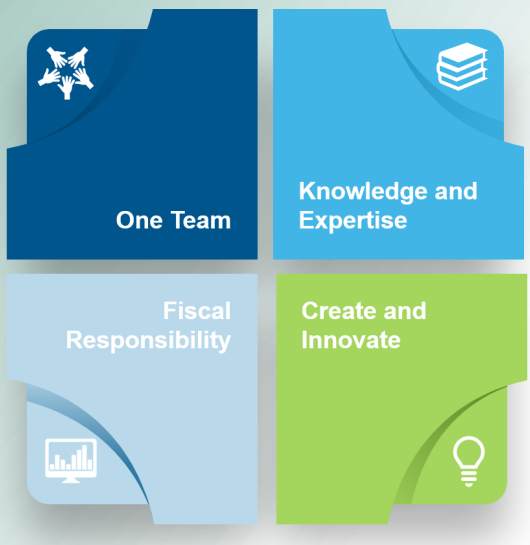
Authorities *(Indicate the authorities for the transaction)*

I would be pleased to provide any further information on this transaction that the Committee might require.

Sincerely,

Name
Minister of Crown Investments

Procurement Policies



Crown Investments Corporation of Saskatchewan

Crown Sector Procurement – Best Value Procurement

Issued Date: December 8, 2015

Authority

The Crown Corporations Act, 1993
Cabinet Minute - # 2262
CIC Board Minute - #182/2015, #125/2020

Applicability

This policy applies to CIC, CIC Crown corporations, and their subsidiaries for all procurement of goods, services, and construction whether by purchase, contract or lease.

Purpose

The purpose of this policy is to align the Crown corporation's procurement practices with the Government of Saskatchewan's goal of achieving best value in procurement.

Policy

Crown corporations shall establish policies and practices to structure and conduct procurements in a fashion which allows consideration of factors beyond price in determining which vendor proposal provides the greatest overall benefit to the Crown corporation, recognizing that in appropriate cases, best value can be achieved on the basis of price alone.

Policy guidelines for adopting a best value approach to procurement are documented in the attached Minimum Standards/Application Guide.

Administrative Information

Contact:
Owner: Executive Director, Finance & Administration Division, CIC, 306-787-2714
Executive Sponsor: Vice President and Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: July 29, 2020

Best Value Procurement – Minimum Standards and Application Guide

1) Policy Guidelines

Each Crown corporation shall ensure that the best value approach to procurement is adequately reflected in the Crown corporation's existing procurement policies and procedures.

2) Achieving Best Value

This document sets out guidelines for adopting a best value approach to procurement for Crown corporations procuring goods, services or construction whether by purchase, contract or lease.

While price remains a fundamental component of any procurement, Crown corporations are encouraged to consider other applicable factors in developing the evaluation components of procurement opportunities. Best value also ensures that procurement appropriately weighs the impact on the Saskatchewan economy, achievement of community benefits, advancement of Indigenous owned companies and workers, economic development and capacity building.

Best value in procurements may also be achieved through:

- Procurements which are results oriented and encourage and permit vendors to propose innovative and value-added solutions, where appropriate;
- Seeking opportunities to participate in co-operative procurement opportunities with other public entities; municipalities, academic, schools and health (MASH) sector entities; or with other jurisdictions; and,
- Supporting Indigenous participation in the economy through engagement with Indigenous communities and businesses.

Within the context of best value, Crown corporations should make every effort to source from a Saskatchewan supplier for procurements below established thresholds in trade agreements provided there is sufficient value, capabilities and skills in the province relative to the business needs of government.

2.1) Procurement Pre-Planning

Procurement pre-planning provides the critical foundations for an effective procurement with an emphasis on clearly defining the problem or opportunity and framing the competition. Best value is achieved through analyzing the needs of a particular procurement. In determining best value, the Crown corporation should consider matters such as:

- Analyzing the nature of the problem to be addressed through the procurement;
- Assessing market capacity and readiness (e.g., through market sounding);
- Considering the degree of latitude possible for vendor innovation and creativity in proposing solutions; and,
- Identifying outcomes that the Crown corporation would like to accomplish through procurement.

In order to maximize the opportunity to realize best value, Crown corporations are strongly encouraged to expand the use of market engagement with potential vendors for appropriate procurements based on non-standard goods, advanced services and capital projects including design-build solutions.

2.2) Framing the Competition

There are many factors that the Crown corporation should consider in framing a competition based on the nature of the business problem or opportunity. While not an exhaustive list, some of these may include:

- The quality required in the goods and services;
- Budget, timing and resource considerations;
- Selecting the most appropriate project delivery model;
- Potential use of outcome and performance-based requirements over prescriptive technical specifications;
- Deliverables, delivery and performance commitments;
- Vendor experience, performance history and demonstrated ability to successfully perform the contract, including service, response time, and support capacity;
- Team and individuals required;
- Risk and compliance management, including safety practices and history;
- Demonstrated knowledge of local conditions such as geotechnical, environmental, local laws, codes and requirements, etc.;
- Environmental impact of the goods and services;
- Opportunities for Indigenous vendors, partnerships or labour;
- Commercial or technical risks assumed by the vendor;
- Public policy objectives as relevant to the problem and solution sought;
- Policy, legal and trade obligations; and,
- Total cost of ownership, which may consider factors such as:
  - purchase or contract price;
  - costs of delays or performance failures;
  - administration and contract management costs;
  - extensions, change orders, price change and cost escalation;
  - price of additional features, enhancements, upgrades, etc.;
  - limitations associated with proprietary or patent rights or constraints;
  - cost to exit the contract, if necessary;
  - legal or technical costs;
  - shipping and packaging;
  - transition and training costs;
  - licensing costs;
  - knowledge transfer;
  - regular and ongoing maintenance, asset performance and life cycle costs;
  - warranty, parts and repair; and,
  - disposal and remediation costs.

2.3) Balanced and Effective Evaluation Criteria

Once a competition has been framed, evaluation criteria and methodology should be developed that appropriately reflect the relevant factors that have been identified for measuring, and ultimately achieving best value. The development of effective evaluation criteria for each competition should be completed as part of the pre-procurement planning process. When developing evaluation plans and criteria, there should be consideration given to how innovation, creativity and alternative solutions will be evaluated and compared. If something is important to the Crown, it should be weighted sufficiently to reward bidders who meet the need, while not rewarding those bidders who do not meet the need. The development of evaluation criteria needs to determine if there are any mandatory elements, and any minimum thresholds for individual criteria.

Crown corporations should consider the inclusion of criteria valuing community benefits. Community benefits criteria chosen must comply with pertinent interprovincial and international trade agreements. Crown corporations shall keep documentation of vendor evaluations against the chosen criteria to support the internal audit and vendor debriefing processes.

3) Other Considerations

The Government of Saskatchewan encourages the joint procurement of goods and services used by

various levels of the public sector when the arrangement results in best overall value or other advantages. Crown corporations, government ministries and organizations in the municipalities, academic, schools and health (MASH) sector are encouraged to participate when such an arrangement will benefit both their organization and the Government of Saskatchewan. Crown corporations may, from time to time, enter into a joint procurement activity with other jurisdictions, particularly those within the New West Partnership Trade Agreement.

Crown Sector Procurement – Code of Conduct

Issued Date: December 8, 2015

Authority

The Crown Corporations Act, 1993
Cabinet Minute - # 2262
CIC Board Minute - #182/2015, #125/2020

Applicability

This policy applies to CIC and its subsidiary Crown corporations and their subsidiaries for all procurement of goods, services, and construction whether by purchase, contract, or lease.

Purpose

The purpose of this policy is to ensure that when procuring goods, services and construction, Crown corporations demonstrate the Government of Saskatchewan's behavioral and ethical standards of:

- Fairness;
- Accountability;
- Honesty;
- Integrity; and,
- Compliance with established principles of law and trade agreements.

Policy

Crown corporations shall ensure their current codes of conduct policies and procurement practices reflect the Government of Saskatchewan's:

- Standards and expectations for employees who conduct procurement activities on behalf of the Crown corporation; and,
- Standards and expectations for vendors who participate in procurement opportunities.

Policy guidelines are established in the attached minimum Standards/Application Guide.

Administrative Information

Contact:
Owner: Executive Director, Finance & Administration Division, CIC, 306-787-2714
Executive Sponsor: Vice President and Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: July 29, 2020

Crown Sector Procurement Code of Conduct – Minimum Standards/Application Guide

1) Policy Guidelines

Each Crown corporation shall review existing policies and amend them, where necessary, to include any standards outlined in this policy, should they not be sufficiently addressed.

2) Standards of Procurement Practice – Crown corporations

Employees of Crown corporations are expected to conduct business in a manner that reflects the standards of Crown corporations, and the Government of Saskatchewan.

Employees of the Crown corporations are expected to conduct all procurement activities:

- In accordance with the law and the Crown corporation's legal, trade and policy obligations;
- With competence and professionalism;
- In an ethical fashion avoiding:
  - unethical or compromising behaviors or appearances of unethical or compromising behaviors;
  - conflicts of interest or situations that may be perceived to be conflicts of interest. Employees are to report such situations to the employee's supervisor when the employee is aware of the potential of a conflict of interest in accordance with the rules established by the Government of Saskatchewan for the management of such matters;
- In a fair, balanced, and respectful manner and ensure that decisions and evaluations are undertaken in an objective, unbiased fashion in accordance with the requirements and specifications outlined in the procurement request; and,
- In accordance with the Crown corporation's values and policies.

Employees of the Crown corporations are also expected to:

- Ensure the Crown corporation is provided with options to consider for procurement, including making use of relevant, flexible and appropriate procurement processes where appropriate; and,
- Be open to considering new ideas, business solutions and lawful ways of doing business that may better serve the Government of Saskatchewan and the vendor community.

3) Standards of Procurement Practice – Business Partners

Just as there are standards for Crown corporation employees who conduct procurement activities, certain behaviors are also expected from vendors. In particular, vendors are expected to:

- Avoid unethical or compromising actions and behaviors or the appearance of unethical or compromising actions and behaviors in the conduct of business relationships with the Crown corporations;
- Avoid conflicts of interest or situations that may be perceived to be conflicts of interest;
- Not engage in any activity that compromises a Crown corporation's ability to run a fair procurement process, including:
  - attempting to influence an employee of a Crown corporation or any public official to act in an improper manner or to improperly influence an evaluation process;
  - participating in any prohibited communications during a procurement process; or,

  - submitting inaccurate or misleading information in response to a procurement opportunity;
- Act in accordance with the law;
- Fulfill all resulting contractual obligations in a professional and competent manner and in accordance with the terms and conditions of the contract; and,
- Be respectful in their dealings with the Crown corporations.

Crown Sector Procurement – Conflict of Interest

Issued Date: December 8, 2015

Authority

The Crown Corporations Act, 1993
Cabinet Minute - # 2262
CIC Board Minute - #182/2015, #125/2020

Applicability

This policy applies to CIC and its subsidiary Crown corporations and their subsidiaries for all procurement of goods, services, and construction whether by purchase, contract or lease.

Purpose

The objective of this policy is to ensure fairness and transparency in Crown sector procurement competitions.

Glossary

Term	Definition
Conflict of Interest (Vendor)	Includes any situation or circumstance where, in relation to a Crown corporation's procurement competition, a participating vendor has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to: • Having, or having access to, information in the preparation of its proposal that is not available to other vendors, but does not include information a vendor may have obtained in conjunction with a contract with a Crown corporation that is not related to the creation, implementation or evaluation of this or a related procurement; • Communicating with any person with a view to influencing preferred treatment in the procurement competition (including but not limited to the lobbying of decision makers involved in the procurement competition); or, • Engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive procurement competition or renders that process non-competitive, less competitive, or unfair.
Conflict of Interest (Crown employee)	Includes any situation or circumstance where, in relation to a Crown procurement competition, a Crown corporations employee engages in conduct, directly or indirectly, that may give an unfair advantage to a participating vendor, including but not limited to: • Providing access to information that is not available to other vendors. • Engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive procurement competition or renders that process non-competitive, less competitive, or unfair.

Perceived Conflict of Interest	Where a reasonable person could form the view that a participating vendor has an unfair advantage.

Policy

Crown corporations shall establish a process in which vendors are to declare all actual, potential or perceived conflicts of interest in all procurement competitions.

Policy guidelines are documented in the attached Minimum Standards/Application Guide.

Administrative Information

Owner: Executive Director, Finance & Administration Division, CIC, 306-787-2714
Executive Sponsor: Vice President and Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: July 29, 2020

Conflict of Interest Policy - Minimum Standards/Application Guide

This guide will support the Crown in developing its policies and a minimum standards Conflict of Interest Policy. This policy represents a minimum standards guide, Crowns may include additional, more stringent requirements that suit their business needs:

1) Policy Guidelines

Each Crown corporation shall ensure that the framework outlined in this policy is adequately reflected in the Crown corporation's existing procurement policies and procedures.

2) Overview

The provisions in the procurement documents for each competition will govern the description, identification and resolution of conflicts of interest. Vendors shall be reminded to carefully review these documents prior to responding.

Some possible conflicts of interest might be:

- a vendor that has a familial or close personal relationship with employees or officials of the Crown corporation;
- a vendor who had past employment with, or served on the Board of Directors of, the Crown corporation;
- a vendor lobbying Crown corporation decision makers involved in the procurement; or
- a vendor who is or was involved in the creation, implementation or evaluation of the current procurement.

Suggested language that may be incorporated into procurement documents with regard to conflicts of interest is outlined in Appendix A.

A vendor that fails to identify actual, potential or perceived conflicts of interest may be disqualified from the procurement competition and may also be subject to such other sanctions as the Crown corporation may deem appropriate.

3) Responding to a Disclosed Conflict

A Crown corporation that receives a disclosure of an actual, potential or perceived conflict of interest from a vendor may in its sole discretion and without limitation take one or more of the following steps:

- Require the vendor to address any actual, potential or perceived conflict of interest to the satisfaction of the Crown corporation (e.g., remove or isolate an individual from the procurement);
- Disqualify the vendor from further participation; or,
- Such other steps that the Crown corporation may deem appropriate.

4) Other Forms of Prohibited Vendor Conduct

Vendors are reminded that other forms of vendor conduct are also prohibited by the Procurement Code of Conduct. This policy should be read in conjunction with the Procurement Code of Conduct and nothing in this policy reduces the obligation of a vendor to report and avoid any conduct identified in the Procurement Code of Conduct, or any applicable Crown corporation policy, including any activity that may impact the Crown corporation's ability to run a fair procurement process or which compromises its integrity. Vendors who undertake any activity which is prohibited by policy or by the procurement

competition may be disqualified from the competition and possibly from future procurement competitions. Crowns will communicate any decisions or rulings in writing to the affected vendor.

Appendix A

Crown Sector Procurement Conflict of Interest – Sample Contract Wording

Sample #1

The procurement documents shall include the following definition of "conflict of interest":

In this section, "conflict of interest" includes any situation or circumstance where, in relation to a Crown corporation's procurement competition, a participating vendor has an unfair advantage, is perceived to have an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including:

- Having, or having access to, information in the preparation of its proposal that is not available to other vendors, but does not include information a vendor may have obtained in the past performance of a contract with a public entity that is not related to the creation, implementation or evaluation of this or a related procurement;
- Communicating with any person with a view to influencing preferred treatment in the procurement competition (including but not limited to the lobbying of decision makers involved in the procurement competition); or,
- Engaging in conduct that compromises, or could be seen to compromise, the integrity of the open and competitive procurement competition or renders that competition non-competitive, less competitive, or unfair.

Sample #2

In addition to the above, one of the following clauses may be included in the procurement documents and/or resulting contracts:

- Vendors are to fully disclose, in writing to the Crown corporation on or before the closing date of the RFQ/RFP, the circumstances of any actual or potential conflict of interest, as well as what could be perceived as a conflict of interest if the vendor were to become a contracting party pursuant to the RFQ/RFP. The Crown corporation will review all disclosures made by vendors under this provision and take such steps as it, in its sole discretion, deems necessary to address any conflict, which may include requiring the vendor to take action to address and remedy the conflict of interest to the satisfaction of the Crown corporation or disqualifying the vendor from further participation.

- You represent that neither you, your principals, officers nor employees have any knowledge of any actual, potential or perceived conflict of interest, and you agree that failure to disclose any actual, potential or perceived conflicts of interest may, at the sole discretion of the public entity, render any contract that may result from this procurement competition null and void, and entitle the Crown corporation to terminate the contract immediately and recover any and all of the contract price.

- All proponents should advise the public entity in writing whether it has any actual, potential or perceived conflict of interest, and if so, the nature of each conflict of interest. A proponent may, in the sole discretion of the Crown corporation, be disqualified from this RFQ/RFP process if a proponent is found to have a conflict of interest.

Crown Sector Procurement Framework
Effective Date: July 29, 2020

Authority

The Crown Corporations Act, 1993
Cabinet Minute - TBD
CIC Board Minute - #125/2020

Introduction

The Government of Saskatchewan is dedicated to addressing public procurement and supply needs in a way that demonstrates leadership in service delivery; value and innovation; citizen and industry focus; expertise; and sustainability. These policies build on a succession of modernizing initiatives undertaken by the Government of Saskatchewan, focused on achieving a consistent approach across government.

Applicability

The following Crown Sector Procurement policies apply to CIC and its subsidiary Crown corporations for all procurement of goods, services, and construction whether by purchase, contract, or lease:

- Best Value Procurement;
- Code of Conduct;
- Conflict of Interest;
- Vendor Debriefing; and,
- Multi-Stage Procurement.

Purpose

The purpose of these policies is to:

- Ensure consistency of procurement processes across the Crown sector;
- Align the Crown corporations' procurement practices with the Government of Saskatchewan's goal of achieving best value in procurement;
- Ensure Crown corporations provide open, transparent and fair procurement processes; and,
- Support economic development through procurement and its decision criteria.

Administrative Information

Contact:
Owner: Executive Director, Performance Management & Financial Analysis, CIC, 306-787-2714
Executive Sponsor: Vice President and Chief Financial Officer, CIC, 306-787-6246

1) Policy Guidelines

Each Crown corporation shall ensure that the standards outlined in the Crown Sector Procurement policies are adequately reflected in the Crown corporation's existing procurement policies and procedures no later than September 30, 2020.

2) Procurement Principles

In carrying out a procurement process, the Crown corporation should adhere to the following principles:

- Conduct open, transparent, and fair processes;
- Consistent procurement approaches with the flexibility to balance diverse government priorities;
- Best possible value for the people of Saskatchewan and a focus on outcomes and business solutions;
- Demonstrate respect for vendors by participating in meaningful engagement;
- Easy access to public tender information and opportunities;
- Innovation that fosters efficiency, effectiveness, and competitiveness;
- Realization of community benefits;
- Support the growth and development of Indigenous owned businesses and Indigenous employees;
- The use of procurement as an economic development tool;
- Respect Saskatchewan trade obligations;
- Continuous improvement and capacity building; and,
- Accountability for outcomes.

3) Industry and Vendor Engagement

The Government of Saskatchewan is committed to promoting the development of vendors and enhancing vendor relationships. CIC subsidiary Crown corporations will support the vendor community by:

- Assisting vendors in understanding how to do business with government through vendor information sessions;
- When appropriate, conducting early vendor engagement or procurement advisory groups on the business needs and outcomes of individual tenders to hear ideas and feedback that support effective procurement pre-planning and design;
- Conducting debriefs on open competitive processes where the procurement document is publicly posted;
- Sharing upcoming procurement activities enabling vendors to prepare for, plan and consider which opportunities to respond to;
- Engaging with potential Indigenous owned companies that could be a qualified vendor, or a partner with another vendor, to deliver on specific project opportunities; and,
- With the assistance of SaskBuilds, explore and evaluate opportunities to assist vendors with new product development and to build additional capacity by providing information and support. Pursue potential opportunities when they align with the business interests of the individual Crown corporation and the economic development interests of the Province.

Crown corporations are required to consult with and work with SaskBuilds on a strategy and program specific to industry engagement with relevant industry associations, and procurement pre-planning to

develop a vendor engagement approach for high-profile, advanced, complex or larger dollar value procurements (over $5 million). Industry and vendor engagement are encouraged to occur, when appropriate, for procurements under $5 million in value.

CIC encourages Crown corporations to use the Government of Saskatchewan Procurement Guide. More information related to public procurement support is available in the Government of Saskatchewan Procurement Guide at:
http://www.saskbuilds.ca/PrioritySK/Files/GoS%20Procurement%20Guide%202020Jun04.pdf

Government Alignment Appendix

Government Wide Procurement Policy Priorities
The Government of Saskatchewan is committed to a common set of principles that provide a foundation for all public procurement. These principles are an important piece to supporting the interpretation and application of the procurement policy to specific circumstances.

The Government of Saskatchewan implemented the Procurement Transformation Action Plan in 2015. It is a 13-point plan based on the feedback gathered from more than 160 consultations with industry stakeholders and public sector partners (municipalities, universities/colleges, health authorities, etc.). The plan was developed as a best-practice approach to ensure that government had tangible goals and the concrete ability to deliver on its promises.

The Government of Saskatchewan is focused on achieving best value in its procurement with a commitment to its communities and citizens. The following priorities are encouraged:

- Ensure that public/ratepayers requirements for goods, services and construction are met through open, principled, and transparent processes that maximize competitive opportunity, and provides the best value and outcomes;
- Conduct procurement and contract management in a way that is principled and results oriented;
- Ensure that procurement opportunities are developed and presented in a manner that encourages vendors to participate and to propose innovative, value added solutions;
- Replace prescriptive technical specifications with outcome and performance-based requirements where practical;
- Provide flexibility for commercially mandated entities of government to place appropriate emphasis on price competitiveness to balance their overall mandate from government;
- Clearly define and publish bidding requirements and evaluation measures used in competitions so that vendors understand what is expected and how decisions will be made;
- Provide all vendors with opportunities to help them understand how to bid and be successful in the government marketplace;
- Subject to interprovincial and international trade agreements, ensures that procurement appropriately weighs the impact on the Saskatchewan economy and vendor community as a component of best value;
- Actively support the growth and development of Indigenous owned companies through public procurement, including capacity and skill development for Indigenous workers in the province;
- Be accountable for procurement decisions and provide access to fair and equitable debriefing and complaint/dispute resolution processes;
- Evolve a modern, digital procurement system that is efficient and effective for procurement entities and suppliers; and,
- Create a community of practice among government entities to promote consistency and the highest standard of conduct in procurement and vendor relations.

Through the implementation of these policy priorities, the Government of Saskatchewan is demonstrating its commitment to a modern procurement system that delivers best value for government, citizens and ratepayers, taxpayers and ensures fair treatment for Saskatchewan vendors.

Provincial Economic Support
Government entities will be asked to track and report on procurement with Saskatchewan vendors. A Saskatchewan based vendor is one that has a real operational presence within the province and employs

Saskatchewan people. In order to determine which vendors qualify as a Saskatchewan vendor, government officials will be required to use professional judgment.

Within the context of a balanced and fair procurement system that is compliant with trade agreements, there is an expectation that Saskatchewan based vendors will be provided every legal opportunity to provide goods and services for a procurement.

Vendor Debriefing
SaskBuilds is responsible to provide training to government employees on conducting effective vendor debriefing sessions that provide a consistent quality and approach across government. CIC is involved in training delivery and will advise when training opportunities are available.

Indigenous Procurement
When planning a competition for goods, services or construction, all public entities should consider opportunities for Indigenous engagement, and provide inclusion for Indigenous ownership and Indigenous labour in the evaluation criteria.

Consultative, Facilitative and Decision-Making Role for SaskBuilds in Procurement Pre-Planning
In order to support the implementation of best practices and increased consistency of practice across government, SaskBuilds will fulfill an expanded consultative, facilitative and advisory role for CIC Crown corporations, when appropriate. CIC will continue to be involved with Crown procurement, helping to ensure the sector implements policies effectively.

Procurement Value	Defined Role for SaskBuilds Advisory Support
All government procurements for goods, services and capital under $5 million	SaskBuilds is available as a consultative resource to provide advice, review and support in the areas of procurement pre-planning including problem or opportunity definition, framing the solution, supplier engagement, procurement method, evaluation criteria, decision matrix and other areas as appropriate. Applies to CIC Crown corporations.
Procurements for goods, services and capital over $5 million (This value includes the cumulative value of the procurement for all years and possible extensions.)	Government entities are required to consult SaskBuilds as part of their procurement pre-planning process in the areas of problem or opportunity definition, framing the solution, supplier engagement, procurement method, evaluation criteria, decision matrix and other areas as appropriate. SaskBuilds may be involved as an informal advisor to the evaluation team or provide advice and consultation as part of the award and debrief process. Applies to CIC Crown corporations.

The above parameters apply to both single procurements and multi-year procurements in which the total contract value would meet or exceed the identified thresholds. Procurement officers may seek internal or external risk management, financial and legal services as required throughout the procurement process.

All CIC Crown corporations are to be aware that they are accountable for procurement and related decisions.

Crown Sector Procurement – Multi-Stage Procurement

Issued Date: December 8, 2015

Authority

The Crown Corporations Act, 1993
Cabinet Minute - # 2262
CIC Board Minute - #182/2015, #125/2020

Applicability

This policy applies to CIC, CIC Crown corporations, and their subsidiaries for all procurement of goods, services, and construction whether by purchase, contract, or lease.

Purpose

The objectives of this policy are to:

- Improve the planning and effectiveness of large and/or complex procurements in the Crown sector; and,
- Improve the competitive process for vendors by pre-qualifying those who advance through the competitive stages.

Definitions

Term	Definition
Multi-staged procurement	A selection process composed of more than one stage and is generally used where information is required from suppliers in order to gain knowledge about the market, obtain industry input or to shortlist suppliers before seeking offers.
Procurement value	The total estimated financial commitment per participating Crown corporation resulting from procurement, including optional renewals.
Fairness advisor/monitor	A fairness monitor is an independent third party whose typical role is to observe the procurement process, report on whether the process described in the procurement documents was followed, and to raise issues with the project team that may be of concern. A fairness advisor recommends or provides advise when designing the terms and conditions to govern a contract competition or proposed evaluation methods.
Request for Qualifications (RFQ)	A type of bidding solicitation in which a company or organization asks outside vendors to provide information to assess their qualifications to compete for a project. This information is often financial, technical or related to the vendor's experience.
Request for Quote	A Request for Quote is a variation of a Request for Proposal (RFP), and typically provides more information to the bidder about the project's requirements than the expression of Expression of Interest. It often requires the bidder to break down costs for each phase of the project to allow the soliciting company to compare different bids.
Expression of Interest (EOI)	A call to potential suppliers of goods and/or services to register interest in supplying them. An EOI is part of a multi-staged process used to shortlist potential suppliers before seeking detailed bids.

Policy

Crown corporations shall conduct a multi-stage procurement for each:

- Construction project that has a total estimated procurement value of $20 million or more; and,
- Goods and/or services project that has a total estimated procurement value of $10 million or more.

Crown corporations should consider conducting a multi-stage procurement for:

- Projects considered by the Crown corporation to be complex or have a high value;
- Projects where there is uncertainty about the state of competition in the marketplace; and,
- Projects where participating vendors will need to invest significant time and resources to respond.

Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate.

CIC subsidiary Crown corporations must employ a fairness advisor/monitor for procurements valued at $50 million or more. A fairness advisor/monitor is recommended where a project has a high value or is considered by the Crown corporation to be sensitive.

Policy guidelines for multi-staged procurement are documented in the attached Minimum Standards/Application Guide.

Administrative Information

Contact:
Owner: Executive Director, Finance & Administration Division, CIC, 306-787-2714
Executive Sponsor: Vice President and Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: July 29, 2020

Multi-Staged Procurement - Minimum Standards/Application Guide

This guide will support the Crown in developing its policies and a minimum standards Multi-Staged Procurement Policy. This policy represents a minimum standards guide, Crowns may include additional, more stringent requirements that suit their business needs:

1. Policy Guidelines

Each Subsidiary Crown corporation shall:

- Determine the appropriate procurement process and tendering methods to satisfy this policy; and,
- Ensure that the multi-staged procurement policy is adequately reflected in the Crown corporation's existing procurement practices and procedures.

1.1. Determining the Appropriate Process

In determining the appropriate procurement process, the CIC Subsidiary Crown corporation shall first consider:

- Existing applicable external and internal policies;
- The timelines and complexity of the project;
- The needs of the public entity;
- The expected impact on vendors who may participate; and,
- Other applicable factors.

1.2. Tendering Methods to Consider

A multi-staged purchasing process is a selection process composed of more than one stage and is generally used where information is required from suppliers in order to gain knowledge about the market, obtain industry input or to shortlist suppliers before seeking offers.

Multi-stage procurements may include a pre-qualification stage to identify vendors that may be invited to participate in a competition or final stage of a competition. This is typically a(n):

- Expression of Interest, or similar process;
- Request for Qualifications; and/or
- Request for Proposals.

Additional or alternative stages may be used to short-list vendors based on the criteria and processes outlined in the competition documents. Some examples include:

- Meeting minimum mandatory requirements as an initial evaluation phase;
- Short-listing vendors that obtain a threshold score (e.g., vendors with a score of x % will advance to the next stage) or achieve a certain ranking (e.g., the top three ranked vendors will advance to the next stage); and,
- Best and Final Offer process where short-listed vendors are provided with an opportunity to improve the quality of their proposals in identified areas.

These, or other stages and evaluation criteria, may be used as determined by the CIC Subsidiary Crown corporation.

1.3. Fairness Advisor/Monitor

Procurements with a value over $50M must utilize a fairness advisor/monitor. Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate. Where utilized, it is recommended the advisor/monitor be engaged as early as possible in the procurement process. Employing a fairness advisor is intended to improve the confidence of all parties that the process will be fair and open. A description of the typical role(s) of a fairness advisor is attached in Appendix A.

1.4. Exceptions

Any exceptions to this requirement must be approved in advance by the permanent head, President, Chief Executive Officer, or equivalent or designate.

APPENDIX A

Typical Role of a Fairness Advisor/Monitor

A fairness advisor is a resource employed by the Crown corporation when designing the terms and conditions to govern a contract competition and helping to developing evaluation criteria. An advisor is used as an input rather than a decision-maker.

A fairness monitor is an independent third party whose typical role is to observe the procurement process, report on whether the process described in the procurement documents was followed, and to raise issues with the project team that may be of concern. The role of a fairness monitor may include, but is not limited to, the following:

- Providing an unbiased and impartial opinion(s) on the fairness of the observed procurement process;
- Reviewing any procurement documents at the fairness advisor's discretion, including invitation documents and additional material, the process framework, and evaluation worksheets;
- Attending meetings where evaluation findings and recommendations are formally presented, monitor the fairness of such proceedings and the findings made there, and attend and monitor any other meetings related to the fairness of the process at the fairness advisor's discretion;
- Participating in meetings as scheduled, identify priority fairness-related issues and fairness-related critical path and constraints; and,
- Preparing and submitting reports to a steering committee that oversees the project team.

The involvement of a fairness advisor or monitor in a procurement process in no way diminishes or absolves any project team member of their accountabilities or responsibilities.

The above describes typical roles of a Fairness Advisor/Monitor but public entities may, at their discretion, propose alternate or additional roles as they consider appropriate.

Crown Sector Procurement – Vendor Debriefing

Issued Date: December 8, 2015

Authority

The Crown Corporations Act, 1993
Cabinet Minute - # 2262
CIC Board Minute - #182/2015, #125/2020

Applicability

This policy applies to CIC and all CIC Crown corporations for all procurement of goods, services, and construction whether by purchase, contract, or lease.

Purpose

The purpose of this policy is to ensure each Crown corporation includes vendor debriefing for unsuccessful proponents in its competitive procurement process.

Policy

Vendor debriefings shall be offered by Crown corporations, at a minimum, to all unsuccessful vendors who engage in a competitive procurement process.

Exception: Crown corporations may choose not to offer vendor debriefings for lower value, competitive procurement processes that are conducted by invitation, but a vendor debrief shall be made available if requested.

Policy guidelines for developing a vendor debrief process are documented in the attached Minimum Standards/Application Guide.

Administrative Information

Contact:
Owner: Executive Director, Finance & Administration Division, CIC, 306-787-2714
Executive Sponsor: Vice President and Chief Financial Officer, Finance & Administration Division, CIC, 306-787-6246

Reviewed: July 29, 2020

Vendor Debriefing – Minimum Standards/Application Guide

This guide will support the Crown in developing its policies and a minimum standards Vendor Debriefing Policy. This Policy represents a minimum standards guide, Crowns may include additional, more stringent requirements that suit their business needs:

1) Policy Guidelines

Each Crown corporation shall ensure the standards outlined in this policy are adequately reflected in the Crown corporation's existing procurement practices and policies.

2) Debriefing Guidelines

The debriefing process is not a complaint or dispute resolution process and should not be treated as such. Information about other vendors or their submissions will not be discussed or disclosed in the debriefing. Information provided to a vendor during a debriefing is provided verbally and no documents will be distributed.

2.1) Purpose of a Debriefing

A vendor debrief should be a two-way conversation between the vendor and the procuring Crown corporation that:

- Recognizes the efforts vendors make in responding to procurement documents issued by the Crown corporation;
- Provides vendors with an opportunity to provide feedback on the Crown corporation's procurement processes and practices;
- Provides constructive criticism and suggestions for improvements so that unsuccessful vendors have a better opportunity for succeeding in future procurement processes;
- Promotes positive two-way communication between the vendor and the Crown corporation's procurement professionals in order to build relationships and allow perspectives to be shared, which may result in enhancements to future procurement activities and improve project results; and,
- Provides vendors with an explanation as to why their submission was not successful and addresses questions and concerns in a non-confrontational manner, which may increase the vendor's understanding of the process and assist in mitigating the risk of unsuccessful vendors pursuing litigation or initiating procurement disputes.

2.2) Availability of a Debriefing

Unless otherwise stated in the procurement document, debriefings are available in connection with all open competitive procurement processes where the procurement document is publicly posted, but may not be available in connection with lower value competitive procurement processes that are conducted by invitation. Debriefings are not offered if the competitive procurement process is cancelled. A debriefing is typically initiated at the request of a vendor. Only vendors that submitted a response to the competitive procurement process may request a debriefing. In most cases, only one debriefing session will be provided to any one vendor in connection with any one competitive procurement process.

2.3) Requesting a Debriefing

Requests for a vendor debriefing should be directed to the contact person identified in the procurement document. Unless otherwise stated in the procurement document, vendors are expected to make their request for a debriefing within thirty (30) days of the notification of the outcome of the competitive

procurement process. Requests for a debriefing that are made outside of the required time period may be considered by the Crown corporation on a case by case basis. If the procurement document contains alternate or additional instructions regarding the time period or process for requesting a debriefing, vendors must follow those instructions.

2.4) Scheduling a Debriefing

The contact person identified on the procurement document is responsible for communicating and scheduling the debriefing with the vendor's representative. The Crown corporation should be as flexible as possible, within reason, when scheduling vendor debriefings.

When scheduling the debriefing, the following should be addressed with the vendor's representative:

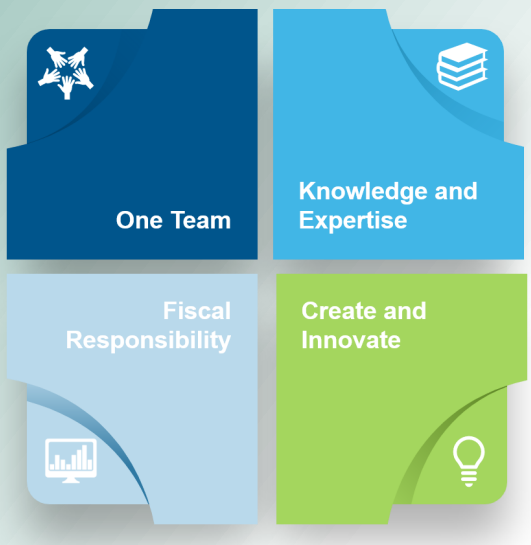
- Confirm the time and location of the debriefing or dial-in information if the debriefing is being conducted by way of teleconference;
- Remind the vendor of the purpose and the nature of the debriefing, as described in this protocol; and,
- Confirm who will be attending the debriefing on behalf of the vendor.

2.5) Conducting the Debriefing

The suggested structure for conducting a debriefing is as follows:

- Introductions and reiteration of the purpose and nature of the debriefing;
- Overview of the evaluation process and relative ranking, without disclosing confidential information about other vendors;
- Discussion of the strengths and weaknesses of the vendor's submission in relation to the evaluation criteria;
- Discussion of how the vendor could improve his/her submissions in response to future procurement opportunities;
- Opportunity for the vendor to provide feedback on the competitive procurement process and suggestions for improvements to the Crown corporation's procurement practices; and,
- Questions and answers.

Saskatchewan Rate Review Panel Policies



Crown Investments Corporation of Saskatchewan

Saskatchewan Rate Review Panel Remuneration and Expense Policy

Issue Date: October 22, 2002
Revised Date: May 1, 2019
Effective Date: January 1, 2009

Authority

The Crown Corporations Act, 1993, Section 6 (1) (j)
The Executive Government Administration Act, Section 15
Minister's Order, December 22, 2018

Applicability

The Policy applies to all members of the Saskatchewan Rate Review Panel (the Panel).

Policy Statements

Remuneration shall be paid to the Panel members as follows:

- A retainer of $15,000 per annum and a per diem of $900 per day for the Panel Chair while engaged in the work of the Panel;
- A retainer of $10,000 per annum and a per diem of $700 per day, or a per diem of $900 per day when acting as Panel Chair, for the Vice-Panel Chair while engaged in the work of the Panel; and
- A retainer of $10,000 per annum and a per diem of $700 per day for the other members while engaged in the work of the Panel.

Panel members shall be reimbursed for actual travel, meal and other incidental expenses related to Panel business on an actual and reasonable basis, supported by detailed receipts.

Alcohol purchases by Panel members shall not be claimed without prior authorization from CIC.

Payment of remuneration, reimbursement and expenses incurred in the conduct and administration of Panel business shall be paid by CIC.

General Provisions

Remuneration and Expense Payment Rules

1. Retainers shall be automatically paid on a quarterly basis. Retainers are paid to compensate for Panel duties or activities for which a meeting fee is not payable, such as general preparation time including administration, phone calls, e-mail handling and time spent reviewing materials submitted by Crown corporations, consultants and presenters prior to and coincident with a rate review.

2. A full day meeting fee is payable for each full day (four hours or more) and shall include Panel meetings lasting longer than eight hours. A one-half day meeting fee is payable for each half day or part thereof (up to four hours) that a Panel member attends a Panel meeting.

3. A full day meeting fee is payable for each full day that a Panel member devotes to other Panel business, if the member has been authorized in writing to conduct such business by the Panel Chair or designate. A one-half day meeting fee is payable for each half day or part thereof that a Panel member devotes to other Panel business, if the member has been authorized in writing to conduct such business by the Panel Chair or designate.

4. A one-half day meeting fee is payable for conference call meetings of the Panel.

5. Panel members required to travel more than 50 kilometers one-way from their principal residence to attend a Panel meeting or to conduct Panel business are entitled to receive a travel fee. Where a Panel member travels for four hours or more, including the return trip, a travel fee equal to the Panel member's full day meeting fee is payable. Where a Panel member travels for less than four hours, including the return trip, a travel fee equal to one-half the Panel member's meeting fee is payable. The maximum travel fee payable is normally one (1) full day. In those exceptional circumstances where Panel members have traveled to participate in distinct back to back meetings (e.g. a business meeting combined with a public rate review meeting), scheduled by the Panel Chair and extending over more than one full day, the Panel Chair has the discretion to authorize any or all members attending such combined meetings to claim a travel fee for each event, as though the events were held separately.

6. When attending a professional development session approved by the Chair, Panel members are entitled to receive the same meeting fees and expenses they receive for attending a meeting of the Panel including registration fees, meeting fees and, if applicable, a travel fee.

7. Panel members who use their personal vehicles are entitled to receive per kilometer rates equivalent to the rates paid to CIC employees. Established CIC kilometer rates above the 54th latitude may be higher than the kilometer rates south of this latitude.

8. Rental Vehicles - Panel members should not rent a vehicle unless the cost of using taxi services exceeds the cost of vehicle rental.

   Compact and intermediate vehicles are to be used unless three or more individuals are travelling together.

   Collision Insurance - Additional vehicle rental collision coverage should be purchased through the rental agency if your personal credit card does not provide such coverage.

   Third Party - Most personal credit card insurance only provides coverage for collision insurance and does not provide for third party liability coverage, therefore this insurance should always be purchased through the rental agency.

   Additional vehicle rental insurance purchased through the rental agency will be reimbursed by CIC.

9. Airline Reservations - Economy Class shall be the approved class of travel.

10. Meals and other expenses related to Panel work will be reimbursed on an actual and reasonable basis supported by receipts and authorized by the Panel Chair or designate.

11. Expenses, meeting fees and travel fees are payable to Panel members who attend a business function (e.g., participating in a media announcement), if the Panel member has been authorized by the Panel Chair or designate to attend the function.

12. Panel member expense claims shall be submitted to the Panel Chair for authorization as soon as possible (generally once per month in those months that the expenses are incurred). The Chair's expense claims shall be submitted to the Vice-Panel Chair for authorization. Following authorization, all expense claims should be submitted to CIC for review, final approval and processing.

13. The Panel Chair, or designate, shall review all Panel member expense claims on a quarterly basis. Any Panel member concerns or questions regarding other Panel member expense claims should be forwarded for resolution to the Chair. CIC shall provide a summary of Panel member expenses to all Panel members on a quarterly basis.

Administrative Information:

Related CIC policy: *Saskatchewan Rate Review Panel Policy*, January 20, 2016

Contact:
Owner: Director, Strategic Policy and Stakeholder Engagement, CIC, 306-787-0056
Executive Sponsor: Vice-President, Crown Services Division, CIC, 306-787-1257

Reviewed June 1, 2020

Saskatchewan Rate Review Policy

Issue Date: October 22, 2002
Revised Date: May 1, 2019
Effective Date: January 1, 2009

Authority

The Executive Government Administration Act, Section 15
Minister's Order dated December 22, 2018.

Applicability

This Policy applies to SaskEnergy, SaskPower and the Saskatchewan Auto Fund administered by SGI.

Purpose

Crown Investments Corporation's rate review process continues the Policy first implemented on an interim basis on July 27, 2000 and is intended to provide Cabinet with an independent opinion on the fairness and reasonableness of proposed public monopoly utility rate changes.

Policy Statements

Cabinet retains the sole prerogative to impose any rate change when it is considered in the best interest of the public, whether a rate increase or a rate decrease.

On referral by the Minister of Crown Investments, the Saskatchewan Rate Review Panel (referred to as the "Panel" from this point forward) shall conduct a review and provide an opinion on the fairness and reasonableness of a rate change proposed by a Crown corporation, having consideration of the following:

a) The interests of the Crown corporation, its customers and the public;
b) Consistency with the Crown corporation's mandate, objectives, and methodologies;
c) Relevant industry practices and principles; and
d) The effect of the proposed rate change on the competitiveness of the Crown corporation, related to other jurisdictions.

The Panel's review of monopoly rate change proposals is confined to changes requested by SaskEnergy, SaskPower and the Saskatchewan Auto Fund administered by SGI.

Background

The Panel was created pursuant to *The Executive Government Administration Act* under the authority of a Ministerial Order (dated July 27, 2000).

The Panel consists of a number of Saskatchewan residents appointed by the Minister of Crown Investments. Panel members are appointed to serve terms of up to three years in duration. Appointments may be renewed.

General Provisions

Operational Terms of Reference

The Panel's mandate shall include operational terms of reference specific for each Crown corporation rate change review, attached by further Minister's Order, and the Panel shall conduct its review and report within those operational terms of reference.

The Panel may utilize the services of such independent experts, consultants, advisors, clerks, reporters and assistants engaged on its behalf, as it deems necessary or advisable to aid and assist the Panel in its review and written report.

The Panel shall establish lasting and interactive relationships with an adequate number of appropriately qualified technical consultants(s) sufficiently knowledgeable about each Crown corporation's operating environment, to assist the Panel in its review and report.

The Panel shall provide the Crown corporation with the opportunity and reasonable time to review the technical consultant's preliminary report prior to its finalization to ensure there is no error in data or in the interpretation of data. The preliminary report shall include the consultant's observations (e.g. outstanding issues and questions). The preliminary report need not include the consultant's recommendations to the Panel.

Rules of Practice and Procedures

The Panel shall establish, adhere to and operate within internal rules of practice and procedures, including:

a) General procedures for conducting a review;
b) Expedited procedures where applicable in the opinion of the Panel;
c) A code of ethics and professional conduct to strengthen the accountability and expectations of individual members and the Panel as a whole;
d) Provision for subcommittees of the Panel to consider concurrent rate applications, where deemed necessary in the opinion of the Chairperson. The minimum number of members on subcommittees shall not be less than three and shall include the Chair or Vice-Chair;
e) Confidentiality guidelines applicable to all Crown information submitted to the Panel in confidence. The confidentiality guidelines shall:
    i. Address the categories and different types of information that will be kept confidential by the Panel and not be publicly disclosed;
    ii. Describe circumstances where disclosure of confidential information may be permitted by the Panel;
    iii. Be made available to the Crown corporation; and
    iv. Be made available to members of the public by posting them on the Panel's website;
f) Rules and procedures for members of the public, the Crown corporation and any special interest groups to participate at public meetings held by the Panel.

Public Consultation

The Panel shall determine a public consultation process for each rate change application appropriate and cost effective under the circumstances and within the timeline for the review as directed by the Minister.

Where the Panel determines that public consultation shall include public meetings, the Panel shall:

a) Make available to the public, prior to holding any public meeting(s), the Crown corporation rate change submission with the exception of any information provided to the Panel in confidence by the Crown corporation; and
b) Provide sufficient notification to the public of the date and location of all public meetings.

The Panel shall provide members of the public with the opportunity to review and comment on the Crown corporation rate change submission outside any public meeting, to the extent reasonable and within the timeline for the review assigned by the Minister.

Gathering Information

Questions from the public, the Panel members and its technical consultant(s) that require a response from the Crown corporation, shall be received and organized by the Panel in a timely and efficient manner and forwarded to the Crown corporation for response.

The Panel shall receive presentations from the technical consultant(s) and the Crown corporation and review any written or oral submissions from the public.

Confidential Information

The Panel shall maintain the confidentiality of and not publicly disclose confidential information supplied to it by a Crown corporation. Confidential information shall include:

a. Commercially sensitive information with a legitimate need for protection from disclosure;
b. Information, the disclosure of which could reasonably be expected to:
    i. result in financial loss or gain to;
    ii. prejudice the competitive position of; or
    iii. interfere with the contractual obligations of the Crown corporation or a third party.
c. Information, the disclosure of which is prohibited by law, including *The Freedom of Information and Protection of Privacy Act* (Saskatchewan). This shall include, but not be limited to:
    i. information of a personal or financial nature respecting an identifiable individual or corporation, including financial accounts and all utility account information;
    ii. information that could disclose a confidence of Cabinet; and
    iii. information supplied to the Crown corporation in confidence by a third party.

The Crown corporation shall mark all confidential information as “Confidential” when supplying it to the Panel.

Notwithstanding the foregoing, the Panel may disclose confidential information to the relevant experts, consultants and advisors engaged by the Panel to assist in its review and report, but only after ensuring that such parties are subject to similar obligations of confidentiality and non-disclosure as the Panel.

Report to the Minister of Crown Investments

The Panel shall prepare a written report on the Crown corporation rate change submission for the Minister after considering all material received from the Crown corporation, the technical consultant(s) and the public.

The Panel's written report to the Minister shall include the following:

a) Where the Panel deviates in any significant manner from its technical consultant(s) assessment of the proposed rate changes, the Panel's full rationale for said deviation; and
b) Where the Panel determines the rate changes proposed are fair and reasonable, recommend the changes be implemented; or
c) Where the Panel determines the rate changes are not fair and reasonable as proposed, recommend how the rate changes should be adjusted and provide full and comprehensive reasons for this conclusion.

The Panel shall provide its written report to the Minister on or before the date set out in the operational terms of reference specific to the Crown corporation review.

The Panel shall make its written report available to the public without disclosing any information supplied to the Panel by the Crown corporation in confidence.

Studies

In addition to or outside any review of proposed Crown corporation rate changes, the Panel may participate in any studies and other reviews, including cost of service studies, initiated and conducted by Crown corporations. For the purposes of the Panel's participation in these studies and reviews, the Panel may use those powers and duties given to it under a Minister's Order as the Panel deems necessary.

Remuneration and Expenses

Remuneration shall be paid to the Panel members according to the approved CIC policy outlined in the Saskatchewan Rate Review Panel Remuneration and Expense Policy.

Panel members shall be reimbursed for travel and other expenses according to the approved CIC policy outlined in the Saskatchewan Rate Review Panel Remuneration and Expense Policy, as it may be amended from time to time.

Payment of remuneration and reimbursement of expenses incurred in the conduct and administration of Panel business including education programs and rate review undertakings shall be paid by Crown Investments Corporation of Saskatchewan.

Administration

CIC shall provide the Panel with assistance, guidance and oversight as required in order to fulfill the Panel's mandate and shall act as a liaison between the Panel and the Minister, as may be required.

Contact:
Owner: Director, Strategic Policy and Stakeholder Engagement, CIC, 306-787-0056
Executive Sponsor: Vice-President, Crown Services Division, CIC, 306-787-1257

Reviewed: June 1, 2020