

Governance Policy

Nova Scotia Federation of Municipalities

Adopted by the Board of Directors: _____

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Section 1 — Preamble, Purpose, Authority, Scope, and Definitions

1.1 Preamble

The Nova Scotia Federation of Municipalities is a legislated, member-based not-for-profit organization established under *An Act to Incorporate the Union of Nova Scotia Municipalities*, Chapter 103 of the Acts of 1981, as amended. The Federation exists to enable effective local government for Nova Scotia's communities through strategic advocacy, education, and collaboration on behalf of its Member Units.

The Federation's governance is exercised by a Board of Directors constituted under the By-laws. The Board operates through an Executive Committee, the Officers of the Federation, and the Chief Executive Officer, and is supported by Standing Committees established under the By-laws.

This Governance Policy sets the framework within which the Board, the Executive Committee, the President, and the Chief Executive Officer fulfil their respective roles.

1.2 Purpose

This Policy is adopted to:

(a) articulate the mandate, authority, and accountabilities of the Board, the Executive Committee, the President, and the Chief Executive Officer;

(b) establish the framework through which the Board oversees the Federation's strategic direction, financial stewardship, and organizational performance;

(c) clarify the line between Board governance and Chief Executive Officer management, and the means by which the Board holds the Chief Executive Officer to account;

(d) set the framework for Board self-evaluation and Policy renewal; and

(e) place the thematic policies of the Federation within a coherent document hierarchy.

1.3 Authority

This Policy derives its authority from:

(a) the *Act to Incorporate the Union of Nova Scotia Municipalities*, Chapter 103 of the Acts of 1981, as amended, under which the Federation is established and the Board's powers are granted; and

(b) the By-laws of the Federation, under which the Board, the Officers, the Executive Committee, and the Chief Executive Officer are constituted, and under which the Board is empowered to establish governance practices for the Federation.

1.4 Scope

This Policy applies to:

(a) the Board of Directors, acting as a body and through its members individually;

(b) the Executive Committee;

(c) the Officers of the Federation — the President, the Vice-President, and the Past President;

(d) the Chief Executive Officer;

(e) the Standing Committees of the Federation; and

(f) any AMANS Designated Board Advisor serving under By-laws Article 5.12.

The Policy addresses governance — the structure, authority, and accountabilities through which the Federation is directed. It does not address operational matters except where they engage governance authority. Operational matters are governed by the thematic policies of the Federation, the Employee Handbook, and the direction of the Chief Executive Officer within delegated authority.

1.5 Definitions

This section defines terms used in this Policy that are not defined in the Definitions section of the By-laws or that warrant clarification for the purposes of this Policy.

Annual General Meeting — or **AGM**: the meeting of Member Units held during the fall Annual Conference, as required by By-laws Article 6.2.

Business and Operations Plan — the annual operating plan that translates the Strategic Plan into priorities, activities, and resource commitments for a fiscal year and is approved by the Board.

Chief Executive Officer — or **CEO**: the Chief Executive Officer of the Federation, appointed under By-laws Article 4.3.

Code of Conduct — the Board of Directors Code of Conduct.

Executive Committee — the Executive Committee of the Board, as constituted under By-laws Article 5.5.

Executive Limitation — a policy provision stated in negative formulation that sets a boundary on Chief Executive Officer authority.

Officer — an Officer of the Federation as identified in By-laws Article 4: the President, the Vice-President, and the Past President.

Reasonable interpretation standard — the principle that the Chief Executive Officer is authorized to use any reasonable interpretation of the Board's instruments in the conduct of operations, within the boundaries set by this Policy and the Executive Limitations.

Reserved power — a decision that the Board retains and may not delegate to the Executive Committee, the President, the Chief Executive Officer, or any other person or body.

Single accountability line — the principle that all Board authority delegated to staff is delegated to the Chief Executive Officer and that individual Director communications to staff do not carry the weight of Board direction.

Strategic Plan — the Federation's multi-year strategic direction document adopted by the Board. The current Strategic Plan covers the period 2026–2030.

Thematic policy — a policy adopted by the Board governing a specific operational or procedural domain of the Federation at Tier 4 of the document hierarchy.

Section 2 — Document Hierarchy and Override Rules

2.1 Statement of Hierarchy

The Federation's governing and policy instruments operate in a five-tier hierarchy:

Tier 1 — Statutory. *An Act to Incorporate the Union of Nova Scotia Municipalities*, Chapter 103 of the Acts of 1981, as amended (the "Act").

Tier 2 — Corporate Instrument. The By-laws of the Federation.

Tier 3 — Governance Instrument. This Governance Policy.

Tier 4 — Thematic Policies. Policies adopted by the Board governing specific operational or procedural domains of the Federation.

Tier 5 — Operational Documents. Documents implementing the above, including the Employee Handbook and operational procedures developed under the direction of the Chief Executive Officer.

2.2 Override Rules

(a) **The Act prevails over all subordinate instruments.** Where any provision of the By-laws, this Policy, a thematic policy, or an operational document is inconsistent with the Act, the Act controls.

(b) **The By-laws prevail over this Policy and all subordinate instruments.** Where any provision of this Policy, a thematic policy, or an operational document is inconsistent with the By-laws, the By-laws control.

(c) **This Policy prevails over thematic policies and operational documents** on matters within its scope. Where a thematic policy or operational document conflicts with this Policy on a matter within scope, this Policy controls.

(d) **Where this Policy is silent and a thematic policy speaks**, the thematic policy applies.

(e) **Operational documents implement the above** and have no independent override authority.

Section 3 — The Board of Directors

3.1 Authority

The Board may exercise all powers conferred on the Federation by the Act and the By-laws, and may delegate any of those powers to the Executive Committee, to the Chief Executive Officer, or to a Standing Committee, except for the powers reserved to the Board.

The Board acts as a body. A decision of the Board is made by resolution adopted at a properly convened meeting of the Board or, where the By-laws permit, by E-Voting under By-laws Article 6.6. No individual Director, Officer, or committee, other than the Executive Committee acting within its delegated powers, has authority to bind the Federation or to direct the Chief Executive Officer.

3.2 Powers Reserved to the Board

The following decisions are reserved to the Board and may not be delegated to the Executive Committee, the President, the Chief Executive Officer, or any other person or body:

(a) Adoption of the Strategic Plan and any amendment to it;

(b) Approval of the annual Business and Operations Plan and any material in-year amendment to it;

(c) Approval of the annual budget and any material in-year expenditure adjustments;

(d) Adoption, amendment, or repeal of this Governance Policy and of any thematic policy at Tier 4 of the document hierarchy;

(e) Approval of any borrowing, debt instrument, or financial guarantee, subject to Member Unit approval at the Annual General Meeting under By-laws Article 6.2(c)(v);

(f) Approval of any decision to commence, settle, discontinue, or appeal material litigation involving the Federation;

(g) Hiring of the Chief Executive Officer, approval of the Chief Executive Officer's compensation, evaluation of the Chief Executive Officer's performance, and termination of the Chief Executive Officer's employment; and

(h) Approval of proposed bylaw amendments for advancement to the Member Units under By-laws Article 10.

3.3 Accountabilities

The Board is accountable to the Member Units of the Federation. The Board fulfils that accountability by maintaining the integrity of the Federation's governance, by exercising stewardship over the Federation's resources, by holding the Chief Executive Officer to account for the Federation's operational performance, and by reporting to the membership at the Annual General Meeting on the Board's discharge of these responsibilities.

Each Director is bound by the duties of care, diligence, and loyalty to the Federation and by the Board of Directors Code of Conduct. Conflict-of-interest disclosure, the duty of confidentiality, and other Director conduct obligations are governed by the Code of Conduct and are not re-stated in this Policy.

3.4 Reporting

The Board reports to the Member Units of the Federation through:

(a) the Annual Report;

(b) the audited annual financial statements, in accordance with By-laws Article 6.2(c) and Article 8;

(c) the President's report; and

(d) such other reports as the Board may determine.

3.5 AMANS Designated Board Advisor

This Section implements By-laws Article 5.12. For purposes of this Section, “Advisor” means an AMANS Designated Board Advisor accepted by the Board under that Article.

a) The Advisor shall be an employee of a Member Unit.

b) The Board's invitation to AMANS shall be in writing and specify the period, Board meeting or meetings, or portions of Board meetings for which the designation is sought. AMANS shall provide its designation to the Chief Executive Officer in writing. The designation takes effect upon acceptance by the Board.

c) When a designation ends, the Board may invite AMANS to designate the existing Advisor or a successor for a new designation. The role is inactive whenever no accepted designation is in effect.

d) If the Advisor ceases to be an employee of a Member Unit, resigns, or otherwise becomes unavailable before the designation ends, the Advisor's service ends. AMANS may designate a replacement for the remainder of the designation, subject to acceptance by the Board.

e) The Advisor participates in Board meetings as a Meeting Attendee under the Rules of Order Policy, within the scope of the accepted designation.

f) The Advisor may receive Board materials relevant to the scope of the accepted designation, subject to applicable confidentiality requirements. The Advisor may attend an in-camera portion of a Board meeting, and receive materials relating to the in-camera item, only if specifically invited by the Board to participate in that item.

g) The Advisor is subject to the Board of Directors Code of Conduct and all applicable confidentiality requirements.

Section 4 — The Executive Committee

4.1 Mandate and Composition

The Executive Committee acts on behalf of the Board between Board meetings, so that the Federation's governance functions continuously and decisions within Board authority can be made when the Board is not in session.

The Committee is composed as established by By-laws Article 5.5: the President, the Vice-President, the Past President, and two Board members appointed annually by the Board. The President chairs the Committee. The Chief Executive Officer attends in an advisory and support capacity, except when the Committee is considering the Chief Executive Officer's own compensation, performance, or terms of employment.

4.2 Authority

The Executive Committee may exercise any authority of the Board between meetings of the Board, except for the powers reserved to the Board. Where a matter arising between Board meetings falls within a reserved power, the Committee shall not decide it; the matter awaits the next Board meeting or, where urgency warrants, a meeting of the Board convened for the purpose.

In addition to its general between-meetings authority, the Executive Committee:

(a) reviews the annual Business and Operations Plan and recommends it to the Board for approval;

(b) reviews the Strategic Plan and any amendment to it and recommends them to the Board for approval;

(c) carries out such other functions as the Board may delegate by resolution;

(d) serves as the standing forum for advice and counsel to the President and the Chief Executive Officer on matters arising between Board meetings; and

(e) oversees the periodic review of this Governance Policy and recommends any resulting amendments to the Board.

The Executive Committee acts as a body. Decisions of the Executive Committee are made by resolution at a properly convened meeting or by E-Voting under By-laws Article 6.6.

4.3 Limits

The Executive Committee may not:

(a) decide any matter reserved to the Board;

(b) exercise any authority over staff except through the Chief Executive Officer; or

(c) overturn, modify, or reinterpret a decision of the Board acting as a body, except by referring the matter back to the Board.

4.4 Accountabilities

The Executive Committee is accountable to the Board. All decisions taken under its delegated authority are subject to review by the Board upon receipt of the Committee's report. The Board may at any time, by resolution, vary or rescind a delegation of authority to the Executive Committee.

4.5 Reporting

The Executive Committee reports to the Board at each regular Board meeting. The report shall include:

(a) the minutes of each Executive Committee meeting held since the last Board meeting;

(b) any recommendations to the Board on matters reserved to the Board; and

(c) any matters the Committee considers should be brought to the Board's attention.

Section 5 — The President

5.1 Authority

The President leads the Board in its governance role. The President's authority comprises:

(a) **Chairing.** The President chairs meetings of the Board and the Executive Committee, and presides at the Annual General Meeting and any Special Meeting of the Federation, in accordance with By-laws Article 4.2(a) and the Rules of Order Policy.

(b) **Board effectiveness.** The President is responsible for the effective functioning of the Board in its governing role. This includes ensuring that Board agendas direct the Board's attention to matters within Board authority, that Board deliberation is open, thorough,

and timely, that decisions of the Board are clearly communicated to the Chief Executive Officer, and that the Board's collective discipline is maintained.

(c) **CEO performance evaluation lead.** The President leads the annual evaluation of the Chief Executive Officer's performance, supported by the Past President. The President provides the Board with a summary evaluation report and a recommendation on the Chief Executive Officer's compensation for the following year, for the Board's decision.

(d) **Point of contact.** The President is the Board's primary point of contact for matters requiring Board attention. The Chief Executive Officer ordinarily communicates with the Board through the President between Board meetings on matters of governance significance.

(e) **Representation of the Board.** The President may represent the Board to external parties in announcing positions of the Board that have been duly adopted, in accordance with the Spokesperson Policy and the Public Release of NSFM Board Positions Policy.

The President has no authority over Federation operations or staff and does not direct the Chief Executive Officer on operational matters. Operational authority is delegated to the Chief Executive Officer.

5.2 Accountabilities

The President is accountable to the Board for the effective discharge of these responsibilities, and to the Member Units of the Federation through the President's report at the Annual General Meeting.

5.3 Reporting

The President provides the Board with a written report at each reporting meeting, covering the preceding fiscal quarter. The President reports on:

(a) matters arising between meetings that the Board should be aware of;

(b) the status of the Chief Executive Officer's performance evaluation, where applicable;

(c) external representations made on behalf of the Board since the last meeting; and

(d) any other matters the President considers should be brought to the Board's attention.

At other Board meetings, the President may provide a verbal update on significant developments since the previous Board meeting and any other matters the President considers appropriate to bring to the Board's attention. A written report is required where a material matter requires the Board's consideration, and may otherwise be provided whenever the President considers it appropriate.

The President reports to the Member Units at the Annual General Meeting in the President's annual report.

Section 6 — The Chief Executive Officer

6.1 Authority

The Chief Executive Officer is the single accountable executive for the operations of the Federation. The Chief Executive Officer is responsible for the operation, administration, finances, organization, supervision, and maintenance of all activities of the Federation within the direction set by the Board and the boundaries established by this Policy, the Strategic Plan, the Business and Operations Plan, and the thematic policies. The Chief Executive Officer's authority comprises:

(a) **General management.** The Chief Executive Officer has full general management responsibility for the operations of the Federation.

(b) **Implementation of the Strategic Plan and the Business and Operations Plan.** The Chief Executive Officer is responsible for implementing the Strategic Plan and the Business and Operations Plan approved by the Board, and is authorized to use any reasonable interpretation of these instruments in directing operations.

(c) **Operation within all policies.** The Chief Executive Officer operates within this Governance Policy, the By-laws, and all thematic policies at Tier 4 of the document hierarchy.

(d) **Financial authority.** The Chief Executive Officer holds the financial signing authority set out in the Internal Controls and Signing Authorities Policy and may approve contracts and financial commitments in accordance with Section 6.2.

(e) **Delegation.** The Chief Executive Officer may delegate any of the Chief Executive Officer's authority to members of the staff but remains accountable to the Board for the exercise of all delegated authority.

(f) **Staff authority.** The Chief Executive Officer appoints, supervises, evaluates, and may discipline or terminate all employees of the Federation, and determines the staff complement within the approved budget. The structure of senior management positions and any material reorganization of the staff complement is subject to Board notification.

(g) **Corporate administration and records.** The Chief Executive Officer supports the administration of Board meetings, Executive Committee meetings, and Members' Meetings, including the preparation of agendas, meeting materials, and minutes. The Chief Executive Officer ensures that the Federation's corporate records, minute book, and financial records are maintained in accordance with the By-laws and the direction of the Board.

(h) **Operational spokesperson.** The Chief Executive Officer represents the Federation publicly on operational matters, including its programs and initiatives, where consistent with Board policy and direction, in coordination with the Spokesperson Policy and the Public Release of NSFM Board Positions Policy.

(i) **Such other authorities** as the Board may from time to time delegate by resolution.

6.2 Arrangements and Contracts

Any material new program, partnership, or funding arrangement the Federation enters into, together with its budget, must be approved by the Board or the Executive Committee acting within its authority.

The Chief Executive Officer may enter into and execute contracts and other instruments that carry out an arrangement approved by the Board or Executive Committee, or that otherwise fall within the approved budget, in accordance with the Internal Controls and Signing Authorities Policy. Such contracts and instruments do not require further approval by the Board or Executive Committee.

Any material commitment that is not within an approved arrangement or the approved budget shall be brought to the Board or Executive Committee, as appropriate, for approval before it is entered into.

6.3 Reasonable Interpretation Standard

Where this Policy, the Strategic Plan, the Business and Operations Plan, or a thematic policy speaks to a matter, the Chief Executive Officer is authorized to use any reasonable interpretation of that instrument in the conduct of operations. The Board's confidence in the Chief Executive Officer extends to the latitude required to apply the Board's policies in the operating environment.

Where the Board has not spoken on a matter, the Chief Executive Officer acts within the Executive Limitations in Section 10. Where a matter exceeds those limitations or requires a new institutional position not covered by existing Board policy, the Chief Executive Officer brings it to the Board, or to the Executive Committee where the matter is not reserved to the Board.

6.4 Accountabilities

The Chief Executive Officer is accountable to the Board acting as a body, in accordance with By-laws Article 4.3(b), and not to individual Directors or to Officers acting individually.

The Chief Executive Officer's performance is synonymous with the Federation's organizational performance against the Strategic Plan, the Business and Operations Plan, and compliance with the policies of the Board.

The Chief Executive Officer is evaluated annually.

6.5 Reporting

The Chief Executive Officer provides the Board with a written report at each reporting meeting, covering the preceding fiscal quarter. The report covers:

(a) progress against the Strategic Plan and the Business and Operations Plan;

(b) compliance with the Executive Limitations;

(c) material risks, material deviations from plan, and material anticipated public matters affecting the Federation; and

(d) any other matters the Board, the Executive Committee, or the President may require.

At other Board meetings, the Chief Executive Officer may provide a verbal update on significant developments since the previous Board meeting, any other matters the Chief Executive Officer considers appropriate to bring to the Board's attention, and any matters requested by the Board. A written report is required where a material matter requires the Board's consideration or where the Board requests one, and may otherwise be provided whenever the Chief Executive Officer considers it appropriate.

Each Board meeting agenda includes a standing financial report item to provide Directors with an opportunity to raise questions arising from financial reports circulated since the previous Board meeting.

At each Executive Committee meeting, the Chief Executive Officer may provide a verbal update on matters within Executive Committee authority and on matters being prepared for Board consideration.

Section 7 — Governance-Management Interface

7.1 Statement of the Interface

The Board governs. The Chief Executive Officer manages. This is the foundational distinction on which the Federation's governance rests.

The Board sets direction, adopts policies, oversees performance against those policies, and holds the Chief Executive Officer accountable for organizational performance. The Chief Executive Officer, under the Board's direction, manages the operation, administration, finances, organization, supervision, and maintenance of all activities of the Federation.

7.2 The Four Instruments of Board Governance

The Board governs through four instruments:

(a) the Strategic Plan, which sets long-range direction;

(b) the annual Business and Operations Plan and budget, which translate direction into priorities for the year;

(c) this Governance Policy and the thematic policies at Tier 4 of the document hierarchy, which set the rules within which the Chief Executive Officer operates; and

(d) performance monitoring and Chief Executive Officer evaluation, which verify that the Board's direction and rules are being followed.

Other forms of Board communication, including discussion at Board meetings, individual Director comments, and advice from the President, inform the Chief Executive Officer's judgment but are not, in themselves, Board direction. Only decisions of the Board acting as a body, or of the Executive Committee within its delegated authority, are binding on the Chief Executive Officer.

7.3 The Single Accountability Line

All Board authority delegated to staff is delegated to the Chief Executive Officer, and all Board-to-staff communication that carries direction runs through the Chief Executive Officer. Individual Directors may communicate with NSFM staff in the normal course, to request information, coordinate on advocacy matters, or participate in committee work, but those communications do not carry the weight of Board direction.

7.4 External Engagement

The Chief Executive Officer, and/or a member of staff designated by the Chief Executive Officer, ordinarily attends meetings between an Officer and an external party on the business of the Federation.

Where neither the Chief Executive Officer nor a designated staff member is available to attend, the Officer informs the Chief Executive Officer of the meeting in advance where practicable, and otherwise as soon as possible afterwards.

Section 7.4 does not apply to an Officer acting in their capacity as an elected official of their own municipal unit.

Section 8 — Reporting to the Board

8.1 Quarterly Reporting Cycle

The Board receives written reports for each quarter of the Federation’s fiscal year. There are four reporting meetings each year, and each written report covers the fiscal quarter preceding the meeting.

At a regular meeting held prior to the end of each calendar year, the Board determines which of the following year's meetings will be reporting meetings and which will be non-reporting meetings.

8.2 Reporting Meetings and Non-Reporting Meetings

At each reporting meeting, the Board receives a written report for the preceding quarter from:

(a) the President;

(b) the Chief Executive Officer;

(c) the Advisory Committees on Areas of Municipal Interest; and

(d) any other committee that has substantive activity or matters to report during the preceding quarter that are not otherwise sufficiently reported to the Board through the Chief Executive Officer's report.

At a non-reporting meeting, these routine reports are not provided, unless the Board requests a report, a material matter requires the Board's consideration, or the President or Chief Executive Officer provides one.

These rules do not apply to the Executive Committee, which reports at each regular Board meeting. They also do not limit any reporting requirement established in a committee's mandate or Terms of Reference. Any committee may report to the Board at any time on a matter that needs the Board's attention.

8.3 Circulation and Presentation of Reports

(a) Written reports should normally be made available to the Board at least seven (7) days before the reporting meeting to allow time for review.

(b) Routine reports are taken as read. A presentation on a matter already covered by a written report is made only where the Board, the President, or the Chief Executive Officer asks for one.

Section 9 — Chief Executive Officer Performance Evaluation

9.1 Cadence and Lead

The Board evaluates the Chief Executive Officer once each year at the last regular Board meeting before the Annual General Meeting. The President leads the evaluation, supported by the Past President.

9.2 Framework

The evaluation considers:

(a) **Organizational performance:** the Federation's results against the Strategic Plan and the Business and Operations Plan;

(b) **Policy compliance:** the Chief Executive Officer's compliance with this Governance Policy, including the Executive Limitations, the By-laws, and the thematic policies; and

(c) **Personal performance:** the Chief Executive Officer's leadership, communication, judgment, and relationships with the Board, the Member Units, the Province of Nova Scotia, the Government of Canada, federal and provincial counterparts, and other stakeholders.

9.3 Process

The President and the Past President review the year's results and hold a structured conversation with the Chief Executive Officer on performance and objectives for the year ahead. In advance of the last regular Board meeting before the Annual General Meeting, the President prepares a summary evaluation report and a recommendation on the Chief Executive Officer's compensation and presents both to the Board. The Board reviews and discusses the evaluation and compensation recommendation, provides any direction it considers appropriate, and makes any required decisions during an in-camera portion of that meeting, from which the Chief Executive Officer is excluded.

Section 10 — Executive Limitations

10.1 Purpose

This Section sets, in negative formulation, the boundaries within which the Chief Executive Officer operates on matters not affirmatively governed by Board direction. Each boundary states what the Chief Executive Officer may not do. Within these boundaries, and applying the reasonable interpretation standard, the Chief Executive Officer determines the appropriate operational means.

10.2 Operating within Board Direction

The Chief Executive Officer shall not operate outside the four instruments through which the Board governs the Federation, as articulated in Section 7.2. Accordingly, the Chief Executive Officer may not:

(a) cause or allow the Federation to undertake a material activity that is not authorized through the Strategic Plan, the Business and Operations Plan, the approved budget, an approved arrangement, or a resolution of the Board or Executive Committee;

(b) cause or allow the Federation to operate without an approved Business and Operations Plan and budget for the current fiscal year;

(c) cause or allow a material deviation from the Business and Operations Plan without notifying the Board and obtaining Board approval for any required amendment;

(d) cause or allow the Federation to operate in a manner inconsistent with applicable law, regulatory requirements, the By-laws, this Governance Policy, or any thematic policy;

(e) cause or allow the Federation to adopt an institutional position that is contrary to the policies or positions of the Board, or to a resolution of the Board or Executive Committee;

(f) operate without the monitoring data the Board requires to assess the Federation's performance against the Strategic Plan and the Business and Operations Plan.

10.3 Keeping the Board Informed

The Chief Executive Officer shall not allow the Board to be uninformed of material matters affecting the Federation, and is responsible for ensuring that the Board has the information it requires to fulfil its governance role. Accordingly, the Chief Executive Officer shall notify the Board, in a timely manner, through the President or the Executive Committee as appropriate, of:

(a) Material decisions taken or contemplated by the Chief Executive Officer where it is unclear whether the matter falls within an approved arrangement or the approved budget, that have material reputational implications for the Federation, or that establish a precedent the Board would benefit from being aware of;

(b) Material risks to the Federation, including operational, financial, legal, reputational, or external risks that could materially affect its capacity to deliver on the Strategic Plan or the Business and Operations Plan;

(c) Material deviations from plan, including deviations from the Business and Operations Plan, the budget, the Strategic Plan, or the assumptions on which any of these were approved;

(d) Material external developments, including legislative or regulatory changes, decisions of the Province or federal counterparts, or other external developments that materially affect the Federation;

(e) Material organizational changes, including changes to the senior management structure, material changes to the staffing structure, or material changes to NSFM programs;

(f) Material counterparty matters, including the loss or material renegotiation of a significant program, partnership, or funding arrangement; and

(g) Anticipated adverse public matters affecting the Federation, including anticipated negative media coverage or controversial public statements by counterparties that may require a Federation response.

In each case, the threshold of materiality is the Chief Executive Officer's judgment of what a reasonable Director, exercising the duties of care and loyalty to the Federation, would expect to be informed of.

10.4 Interpretation

The boundaries in this Section are to be interpreted reasonably in light of their purpose, which is to set limits on the Chief Executive Officer's discretion without imposing administrative burden that does not serve the Board's governance function. The Chief Executive Officer is not required to seek Board or Executive Committee approval in advance of every action that touches a matter listed above; the obligation is to keep the Board informed.

Section 11 — Board Self-Evaluation

11.1 Cadence and Lead

The Board evaluates its own governance performance once each year at the regular Board meeting held in September. The Past President leads the self-evaluation, supported by NSFM staff.

11.2 Framework

The self-evaluation considers:

(a) the Board's effectiveness in setting and overseeing the Federation's strategic direction;

(b) the Board's effectiveness in holding the Chief Executive Officer to account through reporting and the annual performance evaluation;

(c) the Board's compliance with this Governance Policy, the By-laws, and the Board of Directors Code of Conduct;

(d) the quality of Board deliberation and decision-making;

(e) the effectiveness of the Executive Committee in its role between Board meetings;

(f) the effectiveness of the Board's relationship with the Chief Executive Officer;

(g) the quality of the Board's information flow and reporting;

(h) Director engagement, preparation, and contribution; and

(i) any other matters Directors consider relevant to the Board's effectiveness.

11.3 Instrument

The self-evaluation comprises two components:

(a) **A written instrument:** a survey or structured questionnaire completed by each Director in advance of the September Board meeting, addressing the Board's effectiveness across the criteria in Section 11.2; and

(b) **A Board self-evaluation discussion:** a structured discussion at the September Board meeting at which the aggregated survey results are reviewed, themes are identified, and conclusions are reached.

11.4 Reporting and Action

The Past President presents the aggregated results of the written instrument and the conclusions of the Board conversation to the Board. The Board adopts, by resolution, an action plan addressing the matters that warrant attention in the year ahead and reviews progress against it at a subsequent Board meeting.

Section 12 — Review and Amendment

12.1 Review Cycle

The Executive Committee oversees the review of this Policy and recommends any resulting amendments to the Board. This Policy is reviewed in full at least once every three years. In addition to the triennial review, the Policy is reviewed in part on any of the following occasions:

(a) following the adoption of a new Strategic Plan, to confirm that this Policy remains fit for purpose in light of the Plan;

(b) following any amendment to the By-laws that affects matters within the scope of this Policy;

(c) following any material change to the Federation's organizational structure or program portfolio that affects matters within the scope of this Policy; and

(d) at the direction of the Board.

12.2 Amendment Procedure

Amendments to this Policy are made by Board resolution. The procedure is as follows:

(a) a proposed amendment is brought to the Board on the recommendation of the Executive Committee or the Chief Executive Officer, or by the Board on its own initiative;

(b) notice of the proposed amendment, accompanied by the draft amendment text and an explanation of the reason for the amendment, is provided to all Directors no less than seven (7) days before the Board meeting at which the amendment will be considered;

(c) an adopted amendment takes effect upon Board resolution, or on such later date as the resolution may specify.

12.3 Effective Date

This Policy takes effect on the date of its adoption by the Board, or on such later date as the Board may specify.