



# Yukon Energy Corporation

## Board Operating Guidelines

Approved May 11, 2022

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### A. INTRODUCTION

The Board Terms of Reference defines the role and responsibilities of the Board of Directors (the Board). The following outlines general guidelines for how the Board will operate and carry out its responsibilities, including procedures for meetings.

### B. PRINCIPLES AND RELATIONSHIP WITH MANAGEMENT

The Board governs collaboratively and in a way that encourages strategic leadership and oversight (rather than administrative or operational detail) and promotes timely decision making.

The Board works in a constructive partnership with the President and CEO (CEO) and management.

The Board, CEO, and management each recognizes and respects one another's roles, interests, and accountabilities. The Board supports the concept that the role of the Board is to be independent from management, that the role of the Board Chair (Chair), as the agent of the Board, is separate from that of the CEO, and that the Board is able to function independently of management when necessary.

The Chair speaks on its behalf and acts as a direct liaison between the Board and the CEO.

While Directors generally direct requests for information, questions or concerns to the Chair or the CEO, Directors may engage directly with management; these interactions should be informational in nature and should not side-step or call into question matters that are the prerogative of the Board, its Committees, or the CEO. Additionally, the CEO and management may engage directly with directors for advisory purposes or to seek expertise, as needed. Directors and management will keep the Chair and CEO informed of discussions that can reasonably be expected to concern them.

The Board and management seek to support common understanding and collaboration and share information to the fullest extent possible in an atmosphere that promotes clarity, transparency, openness, trust, and timely and effective resolution of issues. Communication between the Board and management should be open and based on a "no surprises" approach at Board meetings.

### C. RESOURCES

The Board is supported by the Corporate Secretary, the CEO, as well as other management and staff as determined appropriate by the CEO and the Board Chair.

## D. MEETINGS

### i. GENERAL

Board meetings serve as the primary forum for Board discussion and decision-making. The Board seeks to ensure that meetings are effective and inclusive, and that Directors are supported to engage in their work and make well informed decisions.

### ii. FREQUENCY

Typically, the Board meets at least five times annually for regular meetings consistent with an annual forward calendar, and may meet as many additional times as needed to carry out its responsibilities effectively, including meeting for dedicated strategic planning sessions or education sessions with management as determined appropriate. The Board's regular meeting schedule is set at least a year in advance.

### iii. WORKPLAN

The Board organizes its work, meetings, and responsibilities according to an annual calendar of regularly recurring activities (the workplan). The Board reviews its workplan annually or as needed and updates it as appropriate.

### iv. NOTICE

The Board's regular meeting schedule (including the date, time, and location) for an upcoming meeting year is typically approved by the Board at least one year in advance. Once approved, the annual schedule is provided to Directors. Notice of upcoming regular Board meetings are also provided at the previous regularly scheduled Board meeting. The Board may cancel or change the date, time, or location of any meeting with 24 hours notice, if the Chair determines the circumstances require.

Notice of Board meetings that do not appear in the Board's annual meeting schedule are provided to Committee members at least 24 hours prior to such meeting or as soon as is practicable in the circumstances. A Director member who attends a meeting is deemed to have waived notice of the meeting with respect to all business transacted.

### v. AGENDA

Matters come before the Board through its Committees, from the Chair or from the CEO, depending on the issue.

Board meeting agendas are developed by the Corporate Secretary in consultation with the Chair, the CEO and designated management lead(s), as appropriate. Agendas are based on the annual forward calendar and any emerging issues. Allocation of time and placement of items on the agenda reflect the importance of the matter at hand.

A consent agenda may be used for items that are routine or non-controversial in nature, or an item that requires perfunctory approval because the Board has already reached a decision in previous discussions.

Under normal circumstances, agendas and supporting materials are posted to the secure Board document portal or otherwise distributed to Directors at least five (5) days in advance of a regular meeting, or as soon as practicable while ensuring that Directors have sufficient time for review prior to the meeting.

Any changes made to the agenda or meeting package will be communicated either by email in advance of the meeting, or in person by the Chair at the beginning of the meeting.

#### **vi. MATERIALS**

Briefing notes, with supplemental documents, reports, and where appropriate, a draft resolution, form the basis of the meeting package to support Directors in their deliberations and decision-making. Materials submitted to the Board are focused on the critical issues to be considered and the decisions sought from the Board. Where a review of the issues may have already been completed by a Committee, the Board agenda would reference relevant Committee materials, and the Board may receive a summary or report of the process the Committee engaged in and a recommendation.

Meeting materials will be taken as read and management presentations will be focused and designed to support discussion at a strategic level, rather than to reproduce a management report.

All materials submitted for consideration by the Board become part of the Board record and will be maintained by the Corporate Secretary.

Upon notification that the agenda and meeting package has been posted, and prior to the actual meeting, Directors are encouraged to:

- Check they can access the meeting package
- Review the agenda and notify the Chair and Corporate Secretary if a conflict of interest is identified (Directors will also be asked to declare potential conflicts at the outset of each meeting)
- Submit significant concerns or questions to the Chair, and CEO, as appropriate ahead of the meeting so that a response can be formulated in time for the meeting

Where the Chair, in consultation with the CEO or Corporate Secretary, determines that circumstances warrant, supporting materials may be distributed separately from the agenda or handed out at the meeting.

#### **vii. MEETING LOGISTICS**

Board meetings may be held in person, entirely by video or teleconference, or as a hybrid meeting. In the case of in-person meetings, Director who are unable to attend in person will discuss with the Chair and management the possibility of attending via video or teleconference. Where video or teleconference is used for Board meetings, the technology or means used must permit all Directors to be heard and participate virtually, and Directors who participate in this fashion are deemed to be present at the meeting and counted in quorum.

#### **viii. ATTENDANCE AND GUESTS**

Board meetings are attended by Directors, the CEO, and the Corporate Secretary.

Members of management or other staff may attend (all or a portion of) Board meetings, as determined appropriate by the CEO in consultation with the Chair, to provide information and to assist the Directors in their deliberations.

The Chair, in consultation with the CEO, will also determine if guests, such as external advisors, may be invited to attend a meeting and address the Board.

#### **ix. QUORUM**

A quorum for transaction of business at a Board meeting is a majority of Directors.

If there is no quorum within thirty (30) minutes after the time set for the meeting, the Corporate Secretary records the names of the Directors present and the meeting is adjourned to the next regularly scheduled meeting.

**x. VOTING**

Each Director has one vote, unless this Director has declared a conflict of interest.

Prior to taking a vote, Directors strive to achieve a consensus on any recommendations that are presented for discussion and approval. Decisions and motion are decided by a simple majority of votes of Directors present.

In the case of an equality of votes, no Director (including the Chair) has a second or casting vote and the motion is declared lost.

**xi. IN CAMERA SESSIONS**

The Board will meet *in camera*, at the beginning and/or end of each meeting or as a stand-alone *in camera* session.

*In camera* meetings are typically attended by Directors, except that the CEO may be invited to attend the initial portion of the meeting. *In camera* sessions may be attended by others, such as external advisors or the Corporate Secretary, when specifically invited to do so by the Chair.

Without limiting the full scope of matters that are typically considered *in camera*, the Board may use this time to evaluate its own effectiveness or the quality and effectiveness of meetings, address internal governance matters for the Board, meet with external advisors, examine its relationship with management, or discuss other matters within the jurisdiction of the Board (for example, performance or evaluation of the CEO).

The Chair subsequently debriefs the CEO and conveys follow up requests or a summary of items raised during any *in camera session*, as appropriate.

**xii. CONSENT RESOLUTIONS**

A resolution in writing (on paper, electronically or via email) and consented to by all Directors entitled to vote on that resolution is as effective as if it had been passed at a meeting of the Board.

A Director who wishes to discuss a proposed consent resolution should inform the Chair and the Corporate Secretary.

**xiii. MINUTES**

The Corporate Secretary ensures there are minutes drafted for all Board meetings. Minutes are not taken of the *in camera* portion of meetings; however, the Chair ensures that the Corporate Secretary is informed of all recommendations (or resolutions) of the Board made at an *in camera* session or made outside of a meeting. The Corporate Secretary ensures that there are records of these matters.

Approved minutes of Board meetings and records of all Board decisions made outside of a meeting will be maintained by the Corporate Secretary and serve as the official record of Board deliberations and decision-making.

All minutes set out the date, time, and location for the Board meeting, the attendance of Directors and others, a summary of the discussion, and a record of the formal actions, recommendations, and resolutions of the Board taken. Minutes should also include a short section on matters arising from the minutes on which management will update the Board at the subsequent meeting. Opinions or views expressed by Directors or other individuals at meetings are considered personal information and confidential and are not recorded in the minutes.

The Chair is provided with draft minutes of the meeting as soon as possible after each meeting. Once reviewed by the Chair, minutes are posted for review by Directors. Minutes of Board meetings are approved at the next Board meeting or by consent resolution.

#### **xiv. SECURITY AND CONFIDENTIALITY OF BOARD MATERIALS AND DELIBERATIONS**

The online secure Board portal will serve as the primary medium for exchanging Board materials and related information. Documents circulated outside the portal will be appropriately secured. Unless otherwise indicated, Board materials are confidential, and are not for distribution or discussion outside the meeting.

Directors should take appropriate steps to safeguard materials and materials should be retained or disposed of in a secure manner and in accordance with YEC's applicable records management policies. Materials that may have been printed and any related notes should also be safeguarded and disposed of in accordance with such records management policies.

Deliberations at Board meetings are also confidential, including views expressed by individual Directors.

#### **E. EXTERNAL ADVISORS**

In carrying out its responsibilities, the Board:

- Relies on the CEO and management to be transparent with the Board and provide it with accurate and complete information
- Having regard to YEC's internal resources and budget, may retain and rely on external advisors to provide any expertise the Board deems appropriate or necessary to fulfil its terms of reference