

## Board of Directors Meeting Minutes

Held on Dec. 4, 2020 at 9:30 a.m.

By Videoconference

### MEMBERS

J. MacQuarrie (Board Chair)	E. Saab		
A. Wong	B. Michell	B. Fox	M. Chatlani
S. Krishnan	B. Walker	D. Campbell	P. Dalzell
D. Cates	H. Shearer	R. O’Sullivan	T. Clochard
K. Moshonas Cole	J. McBrearty	J. Rasmussen	N. Bains
J. Sarvinis	J. West	M. Caplan	D. Chambers
V. Tathe	N. Fonseca	P. Tremblay	S. Fox

### HONORARY MEMBERS

A. Usmani	L. McBride	M. Mairinger	R. Galbraith
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### CNA

J. Gorman	T. Weagant	S. Coupland	G. Christidis
G. Singh Kareckas	J. Stewart	J. Clifford	A. Anstey
C. St. Germain	S. Kavanagh	R. St. Martin	T. Asdrubolini

### ABSENT

H. Ferguson	M. Marsh	B. Plummer	S. Travers
A. Qureshi			

### 1. OPENING REMARKS BY THE CHAIR

**Documents Received:** Dec. 4, 2020 CNA Board of Directors Meeting Agenda; Board and Standing Committee 2020 Work Plan.

There being a quorum present, the meeting was called to order at 9:35 am. The chair thanked J. Gorman and his team for hosting the 60-minute virtual session with directors on 2020 CNA accomplishments, activities and outcomes, which preceded the board meeting.

The agenda was adopted subject to moving motions regarding the approval of the revised CNA employee handbook, and the acceptance of the third quarter 2020 financial results to the consent agenda. No conflicts of interest were declared.

### 2. CONSENT AGENDA

**Documents Received:** Oct. 22, 2020 CNA Board of Directors Quarterly and Organization Meeting Minutes; Oct. 22, 2020 AGM Minutes; CNA Membership Applications (Centrus Energy Corp.); 2021 Board and Committee Meeting Dates; Revised CNA Employee Handbook; 2020 Third Quarter Financial Results (Nov. 26, 2020).



**On motion duly made, seconded and unanimously carried, it was resolved to approve the consent agenda in its entirety.**

**ACTION:** Directors will advise the corporate secretary of any conflicts with the 2021 board and committee meeting dates as soon as possible.

### **3. CNA STRATEGY AND BUSINESS PLAN**

**Documents Received:** President's report (Nov. 26; Updated Dec. 2, 2020)

#### **3.1 President's Report**

J. Gorman presented the President's report, which highlights CNA 2020-2021 scorecard progress and operational developments that impact the association and its membership. He noted the traffic light approach for scorecard updates and explained that Management would focus reporting at board meetings on yellow/red lights as well as on what has changed since the last report. He also highlighted recent actions taken to mitigate potential risks, including issues management with respect to nuclear materials and by-products and the new GR strategy to secure federal SMR funding.

Directors queried Management on select scorecard outcomes and activities. The board received the President's report.

### **4. COMMITTEE REPORTS**

#### **4.1 Advisory Committee Updates**

J. West, advisory committee chair, reported on the annual activities of the CNA's Regulatory Affairs Advisory Committee (RAAC). Directors discussed upcoming CNSC hearings and the need, if any, for additional inventions. They also suggested including a schedule of CNSC hearings over a 12-month period in quarterly board packages.

D. Campbell, advisory committee chair, reported on the annual activities of the Public Affairs Advisory Committee (PAAC). Directors discussed the use of SMRs as an effective tool and/or enabler of discussion for the whole nuclear industry; opportunities for new build CANDU reactors domestically; the merits of publicizing the medical benefits of nuclear in Canada to increase public acceptance (e.g., production of radioisotopes); and the use of SMRs for remote and off-grid applications.

The board received the committee reports.

## **4.2 Governance, Human Resources and Compensation (GHRC) Committee**

**Documents Received:** Dec. 4 GHRC Committee Report (Nov. 26, 2020)

A. Wong reported on the Nov. 9 and Dec. 3, 2020 meetings of the GHRC committee. In her report, A. Wong highlighted that the GHRC committee:

- Discussed the 2020 process for CEO evaluation.
- Considered, queried, and accepted Management's quarterly HR report.
- Reviewed Management's report on projected salary increases for 2021 and agreed to defer its recommendation on the parameters and limits for CNA staff compensation until the first quarter of 2021 and to implement salary increases, if any, retroactively.
- Considered, queried, and accepted new and amended HR and governance documents and asked that, with respect to authority delegated from the board to the CEO, Management work with PAAC to develop criteria that would trigger a review of external communications by PAAC in certain situations (e.g., crisis management or emerging issues communications that could significantly impact industry reputation or stakeholder relations).
- Discussed and agreed to a self-assessment approach and process for the evaluation of the board and its committees for 2020.
- Received the corporate secretary's report on CNA compliance with reporting and record keeping requirements under the *Canada Not-for-profit Corporations Act* and regulations, and related compliance matters.

J. MacQuarrie reported that at its Dec. 3, 2020 meeting, the executive committee considered and accepted the recommendations arising from GHRC committee business, including that Management work with PAAC to develop criteria/protocol for exceptional communications and to report back to the executive committee.

Directors queried the delegations from the board to the executive committee. It was noted that the second phase of the governance review would consider the need for and mandate of an executive committee. The board received the GHRC committee's report.

**On motion duly made, seconded, and unanimously carried, it was resolved that the board approve, effective Dec. 4, 2020:**

- **Amendments to the CNA's GHRC, finance and executive committees' terms of reference**
- **The new CNA Board of Directors Guidelines**
- **The new CNA Board of Directors Delegation of Authority Policy and consequential amendments to the CNA Signing Authority Policy**
- **Rescinding the CNA Board of Directors – Role of the Director policy**
- **The new CNA Board of Directors – Duties and Expectations of Directors policy**
- **The revised CNA Board of Directors – Statement of Qualifications**
- **The revised CNA Board of Directors – Conflict of Interest Policy**

### **4.3 Finance Committee**

**Documents Received:** Dec. 4 Finance Committee Report (Nov. 26, 2020).

D. Cates reported on the Nov. 17 and Dec. 3, 2020 meetings of the finance committee. In his report, D. Cates noted that the finance committee:

- Reviewed and accepted the association's quarterly financial statements for the three months ending Sept. 30, 2020 and that this included support for additional expenditures planned for the fourth quarter of 2020 related to the positioning of SMRs within the broader Canadian electricity and energy transition strategy.
- Reviewed, queried, and accepted the proposed new net asset reserve policy, and considered changes to the organization's cash management, investment, and capitalization and amortization policies.

J. MacQuarrie reported that at its Dec. 3, 2020 meeting, the executive committee considered and accepted the recommendations arising from finance committee business

The board received the finance committee's report.

**On motion duly made, seconded, and unanimously carried, it was resolved that the board of directors approve effective Dec. 4, 2020:**

- **Repealing the CNA Operating Reserve Fund Policy**
- **Approving the new CNA Net Asset Reserve Policy and consequential amendments to the CNA Signing Authority Policy.**

#### **4.3.3 2021 Operating Budget**

J. Gorman presented Management's proposed 2021 budget, which includes planned expenditures to accomplish the 2021 tactics outlined in the strategic plan and the new, base level of spending thereafter. He reviewed and explained the nature of proposed investments, key budget assumptions, and the projected deficit in 2021 and beyond. He also explained that new membership revenues would be required to offset the shortfall and that Management is proposing a five percent increase (~ \$103,000) in membership fees as part of the 2021 budget and that with the fee increase, the 2021 budget is a deficit of \$645,430.

D. Cates reported that being satisfied with its overall financial prudence, the finance committee agreed to approve the 2021 budget for board approval and that the committee considered and queried options presented by Management regarding annual increases in membership fees to fund the new base level of spending of expenditures over revenues to execute the CNA refurb strategy and business plan. Having considered the benefits and

risks, the committee expressed a preference for an increase of five percent, starting in 2021.

J. MacQuarrie reported that at its Dec. 3, 2020 meeting, the executive committee agreed to recommend the 2021 operating budget with a budgeted deficit of \$645,430, which incorporates a five percent increase in membership fees, and that any future increases in membership fees would be subject to review by the board.

The board accepted the committees' recommendations.

**On motion duly made, seconded, and unanimously carried, it was resolved that the board of directors approve the 2021 operating budget as presented at the meeting, which incorporates a five percent increase in membership fees.**

## **5. ADJOURNMENT**

There being no further business, the meeting ended at 11:05 a.m.

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Chair

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Secretary

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Date

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Date