

KAMLOOPS SPORTS LEGACY SOCIETY

LEGACY FUND

GOVERNANCE PROCESS

Effective: **NOVEMBER 2008**

KAMLOOPS SPORTS LEGACY SOCIETY

MISSION STATEMENT

The Society offers support for development of amateur sports and other community initiatives in the Kamloops Region through the administration of the Kamloops Blazers Sports Society Legacy Fund.

VISION

Sustainable sport and community initiatives through opportunity, growth and excellence.

GUIDING PRINCIPLES

1. Administration of the Kamloops Sports Legacy Fund is open, transparent and sustainable. This process includes a mechanism for community consultation to ensure that the administration of the fund continues to be aligned with the priorities of the citizens of the Kamloops Region.
2. Capital and ongoing funding is protected within the scope of decisions regarding annual funding allocations.
3. Kamloops Sports Legacy Society is a non-profit society and as such acts with the utmost of financial accountability and integrity.
4. The Society recognizes both financial and organizational support as valuable use of the Legacy Fund. Wherever possible, financial support is accompanied by support to build the capability and effectiveness of amateur sports and community organizations.

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SECTION 1: HISTORY OF THE KAMLOOPS SPORTS LEGACY SOCIETY

Kamloops Blazers Holdings Ltd. purchased the Kamloops Junior Oilers' WHL franchise from the Edmonton Oilers in 1984. Kamloops Junior Oilers Ltd was registered as a company on January 21, 1982.

Kamloops Blazers Holding Ltd. operated under the same company Articles as the Junior Oilers. This was accomplished by a Special resolution for the name change. The WHL registered the Kamloops Blazers Holdings Ltd. as the owner-entity of the Franchise.

The Kamloops Blazers Sports Society was incorporated as a non-profit society on September 22, 1987 under the statutes of the BC Society Act. The principle constitutional purpose of the Society was "to own, manage and operate the Kamloops Junior Hockey Club and to promote amateur and Junior Hockey in and around the City of Kamloops."

The Society purchased the franchise from Kamloops Blazers Holdings Ltd. on December 22, 1987.

At a meeting on August 23, 2007, the membership voted to accept the offer of August 22, 2007 from River City Hockey, Inc. to purchase the assets of the Society. The Board of Governors of the Western Hockey League approved the transfer of the franchise on October 10, 2007 and the sale closed on October 25, 2007.

In October 2008, the Kamloops Blazers Sports Foundation Directors approved the donation of its assets to the Society.

The proceeds of the sale and the contribution by the Foundation constitute the Kamloops Blazers Sports Society Legacy Fund.

SECTION 2: MEMBERSHIP IN THE SOCIETY

On May 27, 2008, the Bylaws were amended to change the membership requirement to "4. A person may apply to the Directors for membership in the Society and upon acceptance and the payment of \$250.00 shall be a member."

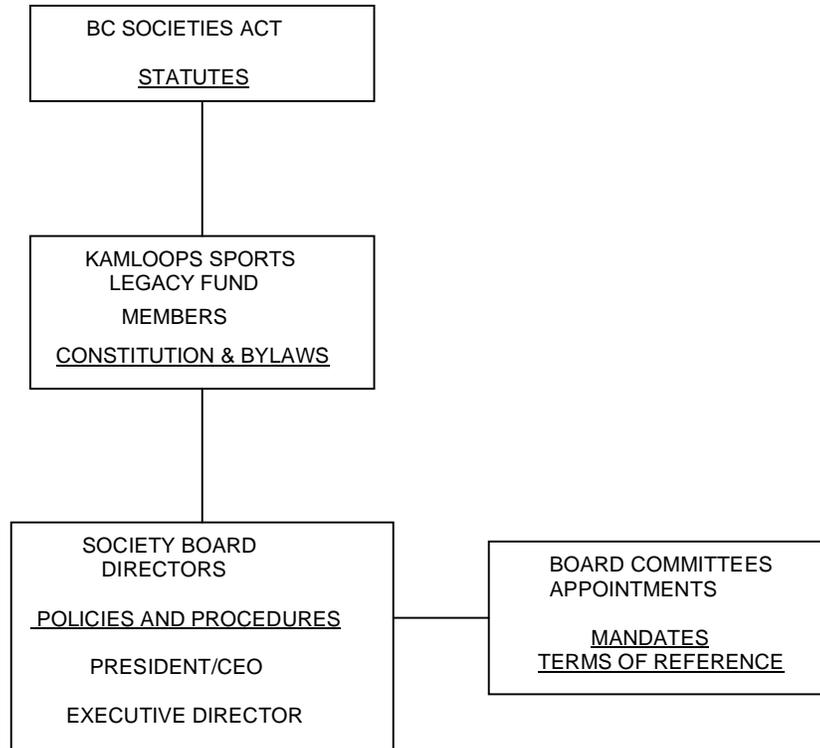
SECTION 3: SOCIETY GOVERNANCE STRUCTURE

The Society is governed as a not for profit organization constituted in accordance with the Statutes of the British Columbia Society Act. The Board of Directors is elected from within the Society membership and is responsible for the administration of the Legacy Fund as outlined by the Society Constitution, Bylaws and its policies and procedures.

The Board is responsible for the governance of the organization and the regular assessment of its effectiveness in a "results-based" approach establishing general direction, defining concrete objectives and monitoring/auditing results. The law considers a society to be an entity that is separate from its members.

The Board focus is on mission, values, objectives, strategic planning, effective achievement of goals and efficient utilization of resources.

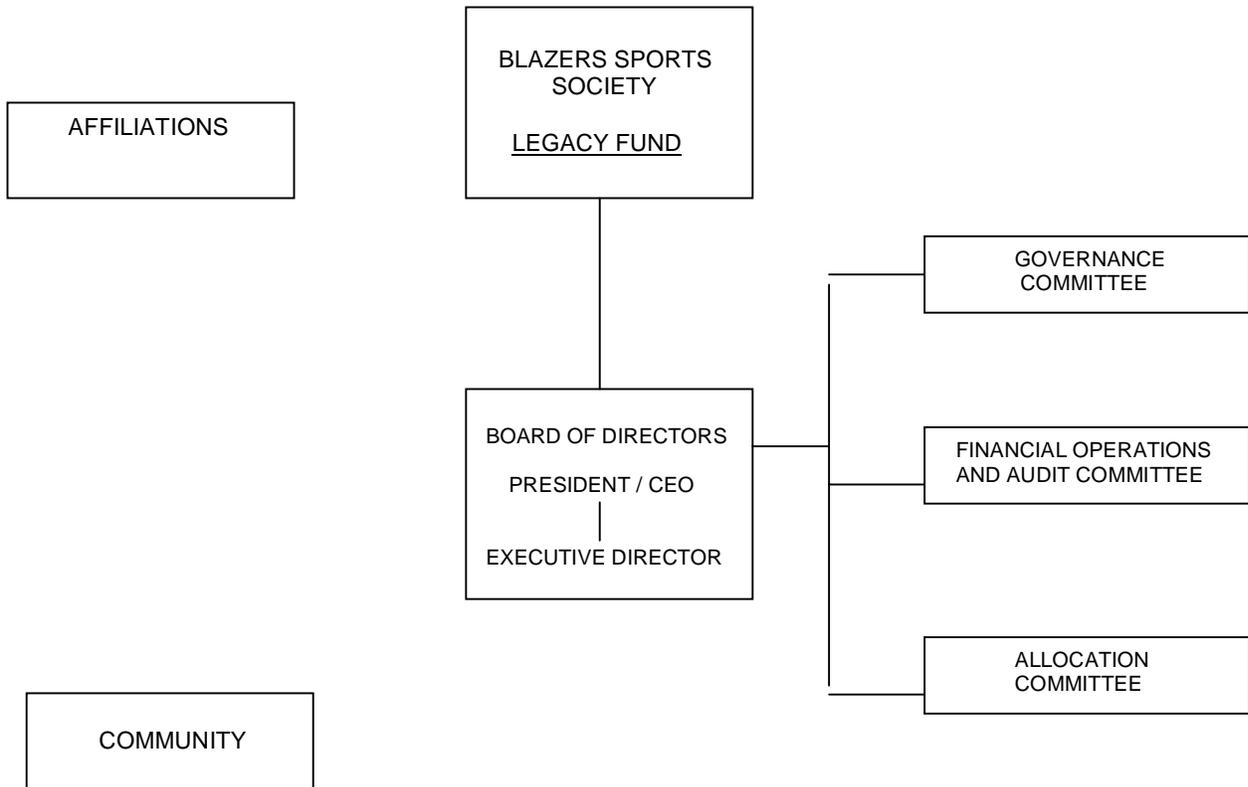
The Executive Director is responsible for the day-to-day operations and facilitates the administration of the Society governance process.



Access to membership in the Society is one of the key requirements towards the long-term sustainability of the organization and the perpetuity of the Legacy Fund. This recognizes that Board members have different areas of expertise, experience and knowledge.

SECTION 4: SOCIETY ORGANIZATIONAL STRUCTURE:

The organizational structure is designed to administer the Legacy Fund in accordance with the mission, vision and guiding principles of the Society. The Committees operate within mandates and terms of reference as determined by the Board of Directors. Policies and procedures are developed to provide clarity and direction. The number of committees is determined considering the size and complexity of the organization and unique circumstances due to the nature of its governance requirements. The process is reviewed annually by the Board of Directors.



Community consultation is an important component of the Society governance process and an integral part of strategic planning. The consultation process is open and transparent, utilizing the media, group meetings, questionnaires, networking with organizations, individual consultation, affiliations and a strong communications strategy including the Internet.

SECTION 5: BOARD OF DIRECTORS GOVERNANCE

5.1 BOARD OF DIRECTORS MANDATE

- The Board of the Kamloops Blazers Sports Society develops the policies, systems and structures within a strategic/operational framework, which ensures the leadership of the organization makes appropriate decisions, and takes appropriate actions to deliver services in an effective and accountable manner. This includes transparent and equitable stewardship of resources, which will sustain the organization, and keep it relevant to the community.
- The Board adopts procedures to identify the principal risks of the society's business and to ensure the implementation of appropriate systems to manage these risks.
- The Board is accountable to the members of the Kamloops Blazers Sports Society and has the responsibility for providing stakeholders with a full accounting and timely information about our operations, programs and initiatives.

- The Board ensures that there are effective communications with its members and the community.
- The President of the Society is responsible for providing leadership, direction and focus to the Board in carrying out this mandate.

5.2 BOARD OF DIRECTORS RESPONSIBILITIES

The Board of Directors as a whole is responsible for the stewardship of the Society and:

- Supervises the management of the affairs of the Society.
- Undertakes to act honestly and in good faith with a view to the best interests of the Society and the community.
- Exercises the degree of care, diligence and skill that a reasonably prudent person would in comparable circumstances.
- Acts in accordance with its obligations contained in the Society's constitution, by-laws, and Board and Members resolutions.
- Considers the following matters as a Board and does not delegate them to a committee.
 - Any submission to the members of a question or matter requiring the approval of the members of the Kamloops Blazers Sports Society.
 - The filling of a vacancy among the directors or the appointing of additional directors.
 - Approval of the annual budget and financial statements of the Society.
 - Appointment and reconfirmation of the Executive Director.
 - Approval of the job description or code of conduct for the Executive Director.
 - Approval of a succession plan for the replacement of key personnel.

5.3 INDIVIDUAL DIRECTOR RESPONSIBILITIES*

The duties of a director of the Kamloops Blazers Sports Society are:

- Duty of Honesty – In dealings with fellow directors, a director must tell the truth and act in good faith.
- Duty of Loyalty – A director is required to give individual loyalty and act in a manner for the benefit of the Society as a whole.
- Duty of Care – A director is required to exercise prudence and diligence based on acting carefully, deliberately and cautiously, trying to foresee consequences.

A Director is encouraged to:

- Exercise powers properly for the purpose for which they are conferred.
- Be sensitive to the fiduciary duty to avoid conflicts of interest and focus on the good of the whole.
- Ensure that appropriate records are kept and maintained.
- Establish an effective, independent and respected presence and a collegial relationship with the other Board members.
- Fulfill legal requirements and obligations as a Director, represent the interests of all of the members in the governance of the Society, and participate in the review of the Society's policies, strategies and the monitoring of the strategic/operational framework.

- Exercise good judgment and act with integrity, use abilities, experience and influence constructively.
- Be available as a resource to management and the Board – Govern rather than manage.
- Read materials provided for Board and committee meetings, maintain a good attendance record and acquire adequate information for decision making.
- Know the purpose and objectives of the Board committees and understand the process and role of management and staff supporting the committees.
- Require management to provide all information the Director deems relevant to understand the issues facing the Society.
- Appreciate the Society's role in the community and be an effective ambassador.
- Understand the regulatory, legislative, business, social and political environments of the Society.

* (As set out by the Canadian Business Corporations Act – CBCA)

5.4 PRESIDENT / CHAIRMAN OF THE BOARD RESPONSIBILITIES

The President of the Kamloops Blazers Sports Society fulfills the role of Chairman of the Board of Directors and Chief Executive Officer.

The Chairman is responsible for managing the processes of the Board and for ensuring that it discharges the responsibilities outlined within its mandate. The responsibilities are:

- Provide leadership to the Board and the Society.
- Schedule regular meetings of the full Board and work with committee chairpersons to ensure proper committee structure and coordinate regular schedules for committee meetings.
- Ensure the appropriate agenda for regular or special Board meetings based on input from Directors and the Executive Director.
- Ensure flow of information to the Board and review the adequacy and timing of the distribution of documented material for effective study and decision making.
- Act as the liaison between the Board and the Executive Director and be the spokesperson of the Board.
- Oversee the preparation and distribution all appropriate reports to members in advance of all regular and special meetings of the Society.
- Chair all meetings of the Society.
- Work with the Board's Governance Committee to establish procedures to govern the activities of the Board and policies that reflect the mandates of the committees and the Board as a whole.
- Carry out other duties defined by the needs of the Board and the Kamloops Blazers Sports Society.

5.5 CONDUCT OF THE BUSINESS OF THE BOARD OF DIRECTORS

- The Board meetings are scheduled monthly, or as deemed necessary by the Chairman.
- The Chairman establishes the Agenda with the assistance of the Executive Director.
- All material and reports are available to the Directors in advance of the meeting.
- All presentations and committee reports are to be in a written form.

- The Agenda is managed in a timely manner and focuses on decision-making, development of policies, resolutions or bylaws to convey Board processes, attention to strategic planning, accountability and the reporting mechanism on operating issues.
- The decision-making process of the Board is based on a consensus environment*
 - Issues are discussed openly
 - Differences of opinion are respected.
 - Agreement is reached by Directors indicating that they are:
 - For a decision
 - Will support it
 - Will have some objections or concerns but will not block a decision
 - Have too many concerns/objections to support a decision – consensus can not be reached.
- Reporting of decisions:
 - Board decisions are in a clear and consistent format in the form of a resolution, recommendation or motion passed at a properly constituted Board meeting.
 - Recording of the business of the Board is the responsibility of the Chairman of the Governance Committee with the assistance of the Executive Director.
- Directors who are unavoidably absent from a Board meeting receive sufficient information in a timely manner to enable them to understand what decisions were made and if consensus was reached.

***Consensus Environment:** This environment supports contributions by all Board members and expects others to listen, respect and consider their “colleague’s” input. It recognizes that Board members have different areas of expertise, experience and knowledge to bring to the table. It may protect the organization in that all sides of an issue or decision are considered and resolved before making the decision. When consensus is not possible, more formalized rules of conduct (Roberts Rules of Order) provide a solution.

5.6 RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR

The Executive Director is responsible for the financial, organizational and strategic performance of the Kamloops Blazers Sports Society. More specifically to:

- Foster a culture that promotes ethical practices, encourages individual integrity and fulfills social responsibility.
- Assist the Board in the development and implementation of short and long-term strategic management processes, which will be assessed by result based accountability.
- Manage the recording and reporting of Board and committee activities.
- Assist in developing and implementing Board policies.
- Implement strict internal control systems to protect the Society and establish the necessary management information systems to assess the progress of the strategic management processes.
- Develop budgets that support the strategies and business plans of the Society and recommend to the Board the allocation of capital necessary to achieve them.
- Ensure that the day-to-day business affairs are appropriately managed.
- Consistently strive to achieve the operating goals and objectives, and initiate appropriate action when required.

- Build and maintain a strong positive relationship with the members of the Board, Society and the community.
- Ensure that there is effective communications with the members of the Society and with the community.
- Ensure that an effective succession plan is in place for all key personal within the organization and for the position of Executive Director.

CODE OF CONDUCT: EXECUTIVE DIRECTOR

In my role as Executive Director of the Kamloops Blazers Sports Society, I understand that I play a vital role in the Society's corporate governance. I hereby certify that I will adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

- I act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships, and disclose to the audit committee any material transaction or relationships that reasonably could be expected to give rise to such a conflict.
- I provide full, fair, accurate, timely and understandable information in reports and documents filed with, or submitted to the Board of Directors or any others associated with the Responsibilities of the Executive Director.
- I comply with applicable laws, regulations, accounting standards, and professional codes of conduct.
- I promptly report violations of this code to the Financial Operations and Audit Committee of the Kamloops Blazers Sports Society.
- I act in good faith, responsibly, carefully, competently, and diligently, without knowingly misrepresenting material facts.
- I respect the confidentiality of information acquired in the course of my work and do not use such information for personal gain.
- I share knowledge and maintain skills important and relevant to the Board of Directors and members of the Society.
- I encourage responsible use of and control over all assets and resources used by and entrusted to me.

REVIEWED AND AGREED TO

By

SECTION 6: SOCIETY COMMITTEE MANDATES AND TERMS OF REFERENCE

6.1 GOVERNANCE COMMITTEE

Governance Committee Mandate

Purpose

The Governance Committee's primary responsibility is to assist the Board of Directors in fulfilling its role by overseeing the Kamloops Blazers Sports Society's corporate governance policies and making recommendations aimed at enhancing Board effectiveness. This includes the management of the recording and reporting of Board and committee activities, the annual evaluation of Board effectiveness, recruitment and education of Directors and succession planning.

Terms of Reference

Creation:

The Board of Directors created the Governance Committee in 2003 and expanded its role in 2005.

Status:

The Committee is a standing committee and reports directly to the Board of Directors.

Functions:

The Governance Committee's responsibility is to assist the Board of Directors to develop and evaluate the policies, systems, structures and strategic/operational framework, which will ensure the leadership of the organization makes appropriate decisions, and takes appropriate actions to deliver services in an effective and accountable manner. The Governance Committee will review, comment upon/or recommend to the Board of Directors regarding:

1. Corporate Governance Practices:
 - Conduct a periodic review of the Society's corporate governance policies and make recommendations to enhance Board and committee effectiveness. This includes updates on the developments in corporate governance.
 - Ensure appropriate structure, size, composition, mandate and membership of Board committees.
2. Management of Board and Committee Activities:
 - Annually review the mandates of the Board and each committee and recommend amendments when required.
 - Make recommendations to the Board regarding meeting dates and agendas, the frequency and content of committee meetings and the need for special meetings.
 - Ensure effective communications, particularly with respect to the provision of information to directors in a timely manner.
 - Oversee the annual review and update of the strategic and operational plans.
 - Ensure regular and appropriate communications between the Board and the members of the Society.
3. Evaluation of Board Effectiveness:
 - Annually evaluate the effectiveness of the Board and its committees and periodically make recommendations regarding Board size and number of committees.

4. Recruitment and Education of Directors:
 - Identify and recommend suitable candidates for director nominations.
 - Establish criteria for retirement of a director.
 - Orientate new directors.
5. Succession Planning:
 - Ensure that there is an effective and appropriate succession plan for the replacement of the Executive Director.

Composition:

The Governance Committee is composed of a minimum of three (3) Board members and the Executive Director. The Board Chairman appoints the members annually.

6.2 FINANCIAL OPERATIONS AND AUDIT COMMITTEE

Financial Operations and Audit Committee Mandate

Purpose

The purpose of the Financial Operations and Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities and to ensure compliance with laws and regulations, oversee the financial systems and internal controls. It is also to ensure that the external audit is conducted in an efficient and cost-effective manner, review the budget and financial statements and bring forth recommendations for the appointment of the external auditors and the appropriate fee.

More specifically the purpose of the Committee is to satisfy itself that:

- The organization's financial statements are reviewed in accordance with generally accepted accounting principles and to recommend approval of the statements to the board;
- The organization has appropriate systems of control over the safeguarding of assets and financial reporting to ensure compliance with legal requirements and to manage financial and asset related risks;
- The external audit function has been effectively carried out and that any matter which the external auditors wish to bring to the attention of the Committee or Board of directors has been addressed. The Committee is also responsible for appointing and overseeing the external auditors, monitoring the external auditors' qualifications and independence, pre-approving all substantive audit services and non-audit services performed by the external auditors, and determining the appropriate level of remuneration for the external auditors. The external auditor will report directly to the Financial Operations and Audit Committee and the committee will report the Board of Directors.
- The internal audit function is being effectively carried out and that the Committee is meeting regularly with the Executive Director.

Terms of Reference:

Creation

The Board of Directors created the Finance Committee in 2003 expanded its role and renamed it the Financial Operations and Audit Committee in 2005.

Status

The Committee is a standing committee and reports directly to the Board of Directors.

Functions

The Financial Operations and Audit Committee's responsibility is to provide assistance to the Board of Directors in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and financially related legal compliance of the organization.

The Financial Operations and Audit Committee will review, comment upon and / or recommend to the Board of Directors regarding:

1. Financial Reporting

- Review the annual financial statements of the Kamloops Blazers Sports Society and ensure:
 - Compliance with generally accepting accounting principles (GAAP);
 - Quality and completeness of financial disclosures including the procedures for disclosure of financial information;
 - Significant variance between comparative periods;
 - Management's recommendations on resolution of areas of concern identified within the financial reporting process;
 - Proposed changes in accounting standards, policies, regulations, key estimates and judgments that may be material to financial reporting

2. External Audit

- The scope of the external auditor's examination of the annual financial statements;
- The content of any management letters received from the external auditor, and management's responses and action plans;
- The external auditor's opinion addressed to the Board of Directors;
- The annual appointment of the external auditor and the remuneration to be paid for the regular annual audit;
- The confirmation of the external auditor's independence and
- The monitoring of the quality and effectiveness of the external auditor's relationships with management.

3. Internal Audit

- The policies and procedures for internal audit , to ensure that they meet the audit requirements of the organization as determined by the Financial Operations and Audit committee and approved policies by the Board of Directors;
- Adequate coordination and cooperation between the internal and external audit functions;
- The terms of reference, the budget, the policies and procedures of the internal auditor and
- The specific reports of the Executive Director as required, including recommendations, and follow up on actions plans.

4. Risk Management:

The Kamloops Blazers Sports Society recognizes that risk management is an integral part of good management practice and considers it an integral part of good governance. The organization is committed to achieving best practices in risk management and applying these principles throughout the organization. As a result of this process the organization will be able to demonstrate, that it has in place a strategy, structure and process to effectively identify and manage its exposure to risk. Risk management is recognized as an integral part of day- to day operations.

Objectives

The main policy objectives for managing risks are to:

- Assist the organization in achieving strategic objectives and goals;
- Safeguard the organization's assets- people, reputation, finances, property and information.

Responsibilities

As a committee of the Kamloops Blazers Sports Society, the Financial Operations and Audit Committee retains the responsibility within the overall risk management framework on behalf of the Board.

Composition

The Financial Operations and Audit Committee shall consist of a minimum of three (3) Board members and the Executive Director. All members shall be financially literate and sufficiently versed in financial matters to understand the organization's accounting practices and policies.

The Board Chairman appoints the members annually.

Operating Procedures

The Financial Operations and Audit Committee will meet regularly to support its responsibilities and report to the Board at its regular meetings.

6.3 ALLOCATION COMMITTEE

Allocation Committee Mandate

Purpose

The Allocation Committee's primary responsibility is to assist the Board of Directors in fulfilling its role by overseeing the Kamloops Blazers Sports Society's Guiding Principles as they relate to funding allocations. This includes the determination and review of qualifying directions for funding, the application process and measurement of the outcome of funding to successful applicants. The outcome measurement is an integral component of the Society Strategic Plan.

Terms of Reference

Creation:

The Board of Directors created the Allocation Committee in 2007.

Status:

The Committee is a standing committee and reports directly to the Board of Directors.

Functions:

The Allocation Committee's responsibility is to assist the Board of Directors to develop and evaluate the policies, systems, structures and strategic/operational framework for the allocation of Society's funds. The Committee will operate in an open and transparent manner consistent with the Society Guiding Principles.

The Allocation Committee will review, comment upon/or recommend to the Board of Directors regarding:

- Qualifying Directions for Funding
- Application, Assessment and Allocation Process
- Measurement of the Outcomes of Funding
- Periodical review of the Society's Allocation Process and Policies.

Composition:

The Allocation Committee is composed of a minimum of three (3) Board members and the Executive Director. The Board Chairman appoints the members annually.