

1. Overview

The Canadian Commercial Corporation (CCC) Policy Governance Framework is an internal control that highlights the policy governance model and the roles and responsibilities of all employees. It comprises all of the policies, instructions, guidelines, procedures, tools and supporting documentation aimed at realizing strategic, operational, reporting and compliance objectives. This overarching document also provides the principles and establishes the accountability of key players within the organization.

2. CCC Mandate

CCC's prime public policy mandate is to assist in the development of trade by helping Canadian exporters access markets abroad and by helping foreign customers obtain goods from Canada.

3. Policy Principles

- The Board of Directors has a duty to oversee the management of CCC with a view to the best interests of both the corporation and the long-term interests of the shareholder. To fulfil their overall stewardship responsibility for the management of the affairs of CCC, Directors are expected to exercise judgment in the broad areas of: the establishment of the Corporation's strategic direction; the safeguarding of the Corporation's resources; the monitoring of corporate performance; and reporting to the Crown.¹
- More particularly, the Board has the legal responsibility to act in the best interests of the Corporation and to exercise due care and diligence. The Board is expected to provide strategic guidance to management and oversee the activities of the Corporation..²
- The President is responsible for the day-to-day conduct of the business of CCC

4. Application

This Policy Framework is applicable to all policies of CCC.

¹ Corporate Governance in Crown Corporations and other Public Enterprises – Guidelines, Treasury Board of Canada Secretariat, June 1996

² By-Law No. 1, Canadian Commercial Corporation, as amended on March 27, 2014

5. Compliance and Monitoring

All CCC employees are to comply with the content of this Policy/Instruction, related Policies/Instructions and all subordinate unit specific Procedures as they pertain to the conduct of all CCC operations. It is incumbent upon each employee to know and abide by the content of this Policy/Instruction. Further, it is the responsibility of their respective Managers and Executive to ensure that:

- All employees are made aware of the Policies, Instructions or Procedures that govern daily work activities, especially during the orientation phase of a new employee or an employee transferred from another business unit within CCC;
- All employees are continuously monitored in the application of all relevant Policies, Instructions and Procedures during the conduct of daily business operations; and,
- Cyclical review of Policies, Instructions and Procedures take place as defined in the 'Policy Governance Framework'; and that any resultant amendments or amendments otherwise derived from lessons learned be forwarded to the Vice-President Corporate Services & CFO (VP CS& CFO) for overall policy suite reconciliation.

6. Policy Process

The Board shall approve Governance Policies relating to:

- **Corporate By-Laws, Board Policies and other enabling legislation** – these provide a set of processes, customs and laws that affect the way in which the Board directs, operates, structures, administers or controls CCC in order to fulfill its mandate as set out by the Government of Canada.
- **Delegation of Financial Authority** – establishing limits of authority for management and staff of CCC;
- **Corporate Social Responsibility** - including standards of conduct and ethical behaviour for Directors, officers and employees of CCC;
- **Succession Planning and Compensation** (including benefits and incentive plans) – this is specifically related to the President and to any other officers of CCC that are appointed by the Board;

The President shall approve all Operational Policies³ of CCC. Any new or amended policy with substantive changes that is approved by the President shall be tabled for

³ **Operational policies** - are those policies that are necessary for CCC and its employees to carry out their day-to-day activities and fulfill the mandate of the Corporation.

information at the relevant Board Committee's within the year. The determination of the relevant Committee for tabling a Policy will be made by the President and the Committee Chairperson in accordance with the Terms of Reference for each Board Committee. Notwithstanding the foregoing, it should be noted that the delegation of policy making powers to the President by the Board does not reduce in any way the Board's ultimate responsibilities for, and powers over, the management of CCC. The Board reserves its respective powers to amend or rescind at any time any and all policies of CCC.

Any breach of a policy that is subject to approval by the Board, or any material breach of a policy that is subject to approval by the President, that may have a significant impact upon CCC, shall be reported promptly following discovery to the Board by the President.

7. Policy Suite Structure

In order to provide clarity and consistent application of policies and other procedural requirements, CCC applies the following policy suite architecture across the Corporation:

Policy – describes management's corporate level control objectives and directives for various aspects of CCC's operations, such as: purchasing, contracting or reporting.

Instruction – describes how CCC's policies are to be implemented at the corporate level to accomplish the goals and directives of a particular policy; such as, the instruction for managing a contract.

Guidelines – provide information, advice or explanation, often in the form of best practices that are intended to assist policy implementation.

Unit Specific Procedures – describes specific operational requirements to further detail and enhance the mandatory policy and instructional requirements.

8. Organization – Roles and Responsibilities

Assignment of Authority:

While the Senior Management Committee is responsible for the final content of and adherence to all of CCC's Policies, all CCC employees are involved in the development and application of Policies. CCC has assigned levels of authority and responsibility for approving, developing, maintaining and complying with its Policies. The assigned authorities and minimum review period are set out in Table 1:

| | Approval | Minimum Review Period | Compliance |
|------------------------------------|--------------------|------------------------------|-------------------|
| Policy Governance Framework | Board of Directors | Once Per Year | Mandatory |
| Policies (Governance) | Board of Directors | Once Per Year | Mandatory |
| Policies (Operational) | President* | Once Every 2 Years | Mandatory |
| Instructions | VP* | Once Every 3 Years | Mandatory |
| Unit Specific Procedures | Director | Once Every 3 Years | Mandatory** |
| Guidelines or Tools | Director | As Needed | Optional |

Table 1

* The President will approve all Policies and Instructions that do not require approval by the Board of Directors as specified in Section 6 above. Additionally, the President may delegate the approval authority of operational policies and instructions to Vice Presidents at his/her discretion.

** Unit specific procedure compliance is only required by the Business Unit for which it is applied.

If the Corporation is undergoing a major organizational or regulatory change, the policies and instructions should be reviewed at that time.

Roles and Responsibilities

Board


The Board has the responsibility to "oversee the management of their Crown Corporation with a view to the best interests of both the Corporation and the long-term interests of the shareholder." ⁴ As such, governance is an important part of the Board's duties. A full description of the Board's duties can be found in the Board's By-Laws (as amended from time to time).

President

The President is the Chief Executive Officer of the Corporation and has on behalf of the Board the direction and management of the business of the Corporation. The President shall perform any other duties that are assigned by the by-laws or by resolution of the Board.⁵ The President's role with respect to policies and policy development is to be the link between the Board and the Senior Management Committee. The President is responsible for approving all operational policies and instructions. On an exception basis, the President may consider approving an amendment to a governance policy in

⁴ Corporate Governance in Crown Corporations and other Public Enterprises – Guidelines, Treasury Board of Canada Secretariat, June 1996

⁵ Canadian Commercial Corporation Act



order to meet operational requirements and must table the rationale along with the policy or framework at the next relevant Board Committee's meeting for its approval. Operational policies represent the majority of CCC's policies and are those that are necessary for CCC and its employees to conduct their day-to-day activities and fulfill the mandate of the Corporation. Additionally, the President may delegate the approval authority of policies and instructions to Vice Presidents at his/her discretion.

Vice Presidents, Business/Functional Units

Vice-Presidents are to provide support to the President and are responsible for ensuring that their employees are following all Policies, Instructions and unit specific Procedures. They are also responsible for ensuring that their Policies are kept up to date and that staff are provided with the necessary training to ensure a thorough awareness of and adherence to CCC's Policies, Instructions and unit specific Procedures.

Directors, Managers & Team Leaders

Directors, Managers and Team Leaders are to provide support to their Vice-Presidents and are responsible for ensuring that their employees are following all Policies, Instructions and unit specific Procedures.

Internal Auditor

Policy suite documentation is subject to reviews by the internal audit team to ensure that the Corporation's policy suite documentation is properly adhered to.

External Auditor

The Office of the Auditor General (OAG) conducts an annual financial review and every ten years a Special Examination is conducted. These reviews of CCC's operations may include an examination of the Corporation's application of its policy suite documentation.

Employees

All employees have the responsibility to understand and follow all policy suite documentation related to their Unit and throughout the Corporation. Employees are also responsible to take prompt action to identify issues or required changes to documentation as they emerge to ensure that they reflect the current business environment and internal practices.

9. Policy Stewardship

The Corporation has developed standardized templates to assist the Senior Management Committee in the development of Policies and Instructions and Unit Specific Procedures. These templates and forms are to be used to provide a consistent

approach to CCC's various policy suites and to simplify the mandatory requirements for employees.

While policy development may occur throughout CCC, the overall stewardship of policies will reside within the Vice President Corporate Services and Chief Financial Officer. Corporate Services will assist in the development and maintenance of policy documentation to ensure that it remains current. If you have any further questions, please refer them to Vice-President, CS & CFO.

Document History

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| Original | Version 1.0 January 2009 |
| Approval: Name | M. Whittingham |
| Approval: Title | President |
| Approval: Date | January 1 st , 2009 |

Amendment History

| Version/Date | Change Summary |
|-----------------------------|--|
| 1.1/April 26, 2011 | New Section 5 and Annual Content Review |
| 1.2/September 21, 2012 | Periodicity for Operational Policies (and lesser policy instruments) revised to 'once every two years' due to confusion about biennial/bi-annual terminology |
| 1.3/March 26, 2014 | Annual Content Review |
| 1.4/March 11, 2015 | S&OD References changed to CS & CFO |
| 1.5/March 30, 2016 | Annual Content Review. S&OD References changed to CS & CFO |
| 1.6/March 29, 2017 | Annual Content review. President's approval authority amended (Interim Approval Authority for Governance Policies which require BoD Approval) |
| 1.7/ March 27, 2018 | Annual Content Review |
| 1.8 / March 26, 2019 | Change Section 8: Table 1 in the Approver and the minimum review period and some editorial changes |
| Note: Add Rows as Required | |