

The NSLC Board of Directors

The NSLC's Board of Directors main responsibility is stewardship. The Board is accountable to the government, as shareholder, in setting the strategic direction of the business as well as overseeing the financial performance of the NSLC.

The Board of Directors and its Chair are appointed by Order in-Council on the recommendation of the Minister responsible for the Administration of the Liquor Control Act. All voting members of the Board are independent of management, except for the President and Corporate Secretary; none of which are NSLC employees. All have first hand knowledge of finance, business, entrepreneurship and retail practices. Together the board members have the balance mix of skills and experience needed for their stewardship role and for setting the future direction the Corporation should undertake.

The Liquor Control Act sets out the Board's purpose, responsibilities and duties. Like other Crown Corporations, the NSLC is subject to other laws such as the Privacy Act, Freedom of Information, and Federal Acts such as Customs Act, Excise Act, Canada Revenue, Private Importation of Alcoholic Beverages and CRTC regulations with regards to NSLC tv and radio advertising.

The NSLC, as a Crown Corporation, besides being audited internally, is closely scrutinized by an external audit firm, along with a review by the Auditor General of Nova Scotia. The joint examination is a performance audit going beyond financial issues alone and delving into systems and practices related to budgeting, efficiency and effectiveness of the corporation. Every year the Government of Nova Scotia receives an NSLC Business Plan along with the NSLC's Annual Report and prior to these reports being issued they are approved by the Board.

The Role of the Board

Under the guidance of the Minister and the Liquor Control Act, the ongoing role of the Board of Directors is clearly defined. As a Crown Corporation, the NSLC has a measure of independence in the management of certain types of activities. It is the responsibility of the Board to ensure this independence is exercised responsibly and is not abused. The management of the corporation respects the objectives of the shareholder. Each Board member also has individual responsibilities, which include:

- acting honestly and in good faith in making decisions with a view to the best interests of the NSLC and its stakeholders
- overseeing the management of the business and affairs of the NSLC
- avoiding conflicts of interest having adequate knowledge of the NSLC's business, how it is organized, and how it functions

- attending Board meetings and seeking professional advice where appropriate
- exercising judgment independent of management input, when deemed necessary
- providing guidance on policy development

Composition of the Board of Directors

The affairs of the Corporation shall be administered by a Board of nine directors:

- seven of whom shall be appointed by the Governor-in-Council to hold office for a term of not less than two years and not more than five years;
- one of whom shall be a deputy minister appointed from time to time by the Governor in Council, and who shall not be a voting member; and one of whom is the President, and who is not a voting member.

The Board of Directors is responsible for ensuring the affairs of the Corporation are administered on a commercial basis and that all decisions and actions of the Board are based on sound business and retail practices in accordance with the objects of the Corporation. The members of the Board of Directors are directors of the Corporation within the meaning of the Companies Act except where inconsistent with the Liquor Control Act. The Governor-in-Council shall appoint one of the members of the Board of Directors to be the Chair of the Board who shall hold office for a term to be fixed by the Governor-in-Council, such term of office not to be less than two or more than five years.

Responsibility

The Board has the responsibility to:

- recommend to the Minister the selection, appointment, and evaluation of the President
- make recommendations on the process for the overall selection, appointment, management and performance evaluation of the senior management team
- approve the compensation of the senior management team
- establish and maintain a succession planning policy and process
- establish and participate in the strategic planning process including the approval of strategic plans, and shall monitor performance against those plans through key indicators
- approve annual capital and operating plans and monitor performance against those plans through key indicators
- establish and maintain policies and processes to identify business risks and to identify and implement plans to

- mitigate those risks
- maintain policies and processes to ensure the integrity of the corporation's internal control and management information systems
- establish and maintain an appropriate, formal orientation program for new directors
- assess the contribution of the board and its committees annually in conjunction with goal and objective setting

Board Committees

The Board uses three standing committees to provide sound business stewardship:

- The Audit Committee
- The Governance and Human Resources Committee
- The Intelligent Consumption Committee.

From time to time the Board will also strike other committees on an ad-hoc basis. These committees meet separately and independently of the Board. Each committee has terms of reference that define objectives, scope, duties and responsibilities. At least one executive representative sits as a member of each committee.