



# InBC INVESTMENT CORP.

BOARD GOVERNANCE MANUAL

AND

CODE OF CONDUCT AND CONFLICT OF INTEREST  
POLICY

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## 1. INTRODUCTION

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This Board Governance Manual (the “Board Manual”) has been prepared for the Board of Directors of InBC Investment Corp. (“InBC”).

InBC is a statutory corporation created under the authority of the *InBC Investment Corp. Act* (*InBC Act*). The *InBC Act* came into force in May 20, 2021.

This Board Manual sets out the governance structure and policies pursuant to which the Board exercises its legislated duty under section 11 of the *InBC Act* to “*manage the affairs of the corporation or supervise the management of those affairs*”.

To ensure InBC fulfills its mandate, this Board Manual incorporates the Board’s responsibilities as set out in the *InBC Act* as well as today’s best governance practices, including guidance from the Crown Agencies and Board Resourcing Office (CABRO) Additional information regarding the Crown Agency Governance can be found on the [CABRO website](#).

This Board Manual is divided into the following sections:

**Introduction:** summarizes the legal framework governing InBC. It also sets out the Board’s structure.

**Effective Board Functioning:** sets out policies that guide the Board in its functioning, including the Board Calendar, Quorum and Meeting Guidelines.

**Roles and Responsibilities:** sets out the responsibilities of the Board and the Board vis-à-vis the provincial government, Board Chair, individual Directors, the Chief Executive Officer (“CEO”), the Chief Investment Officer (“CIO”), and the B.C. Renaissance Capital Fund Ltd. (the “BCRCF”), a wholly owned subsidiary of InBC.

**Administrative:** addresses Director liability insurance and remuneration and expenses.

**Code of Conduct and Conflict of Interest Policy:** which establishes the minimum standards of conduct expected and required of all Board Members and senior officers.

Upon joining the Board, each Director is provided with a copy of the Board Manual and is required to acknowledge receipt of the Board Manual, that they have read and understood the policies and that they support the governance framework contained in the Board Manual. As well, each Board member must annually review the Code of Conduct and Conflict of Interest Policy and declare any conflicts (Appendix A and B).



## FORM OF ACKNOWLEDGMENT FOR DIRECTORS

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I acknowledge that I have received a copy of the InBC Board Manual. I have read and understood the policies contained in the Board Manual, and support the governance framework contained in the Board Manual.

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Director's Name

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Date

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Director's Signature

## 2. GOVERNANCE FRAMEWORK

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### 2.1. OVERVIEW

Pursuant to the *InBC Act*, the Board must “manage the affairs of the corporation or supervise the management of those affairs”<sup>1</sup>.

The Board fulfills this duty by delegating to the CEO responsibility for the day-to-day operations of InBC. Directors serve part time and the Board’s role is one of governance and oversight of InBC.

The Board’s governance role involves a wide range of responsibilities, including approving InBC’s strategic plan, monitoring InBC’s performance, overseeing the financial stewardship of InBC, ensuring management is qualified, reviewing InBC’s material risks, and overseeing a succession planning process to ensure continued leadership.

The Board is committed to conducting business in a legally responsible and ethical manner that promotes diversity and inclusiveness within and beyond InBC.

### 2.2. BACKGROUND

InBC was established to attract investment, create family-supporting jobs and diversify B.C.’s economy. In September 2020, an existing Crown corporation, established under the *Business Corporations Act* – the BC Immigrant Investment Fund – was renamed to become InBC Investment Corp.

In April of 2021, Government introduced legislation to establish InBC as a statutory crown corporation via the introduction of the *InBC Act*. This statute removed InBC from the authority of the *Business Corporations Act* and established it as its own statutory entity.

The legislation established that the shareholders of InBC are the Minister of Finance and the Minister of Jobs, Economic Development and Innovation and that InBC is accountable to a 9-member Board of Directors who are appointed by the Government of British Columbia.

In this Board Manual, “Minister” shall mean the Minister designated as responsible for the *InBC Act* and “Ministry” shall mean the Ministry for which the Minister is responsible.

InBC operates under the requirements of the *InBC Act*, the mandate and policy direction given by the Minister in the Governments’s Annual Mandate Letter and in accordance with the Service Plan created by InBC and approved by the Minister annually.

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<sup>1</sup> InBC Investment Corp. Act section 11

### 3. BOARD STRUCTURE

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#### 3.1. BOARD STRUCTURE

Section 6 of the *InBC Act* prescribes that InBC's Board be composed of up to nine Directors including the Board Chair. Specifically, of those nine members:

- Two are appointed from the public service - namely, the Deputy Ministers of the two responsible Ministries (Jobs, Economic Development and Innovation (JEDI), and Finance)
- Seven members are to be appointed from outside the public sector

Directors are appointed by Order in Council<sup>2</sup>. The Minister of JEDI, after having consulted with the Minister of Finance, makes recommendation to the Lieutenant Governor in Council for appointment.

A Nominations Committee of the Board proposes and vets candidates for upcoming vacancies and those recommendations would be made to the Ministers. The Board Chair is chosen by the Minister of JEDI, after consulting with the Minister of Finance. The Board must elect a Vice Chair from among the Directors.

In addition to the provisions under the *InBC Act*, a comprehensive process for appointing Directors to public sector organizations in British Columbia is established by Crown Agencies and Board Resourcing Office (CABRO). Additional information regarding the appointment process can be found on the [CABRO website](#).

#### 3.2. TERM LENGTHS

Directors are appointed for a term of up to three years<sup>3</sup>. That term can be renewed if the Minister of JEDI, having consulted with the Minister of Finance, chooses to reappoint the individual in question. Where the organization requires persons with a specialized skill set, it may be appropriate that members serve for multiple terms.

To achieve a good balance between continuity of experience and injection of fresh perspectives to the Board, Director terms are to be staggered.

Directors cease to hold office when:

- Their term expires,
- They resign or die, or
- They are terminated under section 9 of the *InBC Act*.

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<sup>2</sup> *InBC Investment Corp Act* section 7

<sup>3</sup> *InBC Investment Corp Act* section 8



### **3.3. DUTIES OF BOARD**

Duties of the Board are set in section 11 of the *InBC Act*. The Board must manage the affairs of the corporation or supervise the management of those affairs. Board members must act honestly and in good faith, with a view to the best interests of the corporation. They must exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances. As well, they must act in accordance with the *InBC Act*.

The Board must supervise the delegation of any of its powers or duties. The Board may, by resolution or bylaw, delegate any power or duty of the Board or the corporation except<sup>4</sup>:

- the power to establish committees of the Board,
- the power to pass resolutions or bylaws respecting the procedures to be followed at meetings of the Board,
- the duty to appoint a chief executive officer and a chief investment officer, and
- the power to delegate.

As well, the Board may pass the resolutions or bylaws it considers necessary or advisable for the management and conduct of the affairs of the corporation and for the exercise of the powers and duties of the Board.

- The Board must pass bylaws that establish a policy, applicable to Directors and senior officers, on the disclosure of interests and the handling of conflicts of interest.<sup>5</sup>
- The Board may pass resolutions or bylaws respecting the calling and holding of meetings of the Board or committees of the Board and the procedures to be followed at those meetings.<sup>6</sup>

The Board may establish committees of the Board to assist the Board; however, any established committees must be chaired by a Director. Committees may include members of any established advisory forum<sup>7</sup>.

Directors must follow the Code of Conduct and Conflict of Interest guidance established by InBC (Appendix A).

### **3.4. COMMITTEES**

The Board may choose to establish standing committees to assist it with its work. These committees must be chaired by a Director. The Board has established two committees:

- 1) Governance and Human Resources
- 2) Audit, Investment and Risk

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<sup>4</sup> *InBC Investment Corp Act* section 11(7)

<sup>5</sup> *InBC Investment Corp Act* section 11(4)

<sup>6</sup> *InBC Investment Corp Act* section 11(5)

<sup>7</sup> *InBC Investment Corp Act* section 11(6)

Additional permanent or temporary committees may be established by the Board as required.

The Board may establish terms of reference for each standing committee and operating guidelines that govern committee operations. The Board may establish other committees as required to assist the Board in meeting its responsibilities.

While Directors are required to chair committees, the Board may choose to populate Committees with members of the Advisory Forum. More detail on the Advisory Forum is provided in section 8.

The Board may also choose to engage experts as needed to assist with specialized functions.

### **3.5. GOVERNANCE STRUCTURE REVIEW**

These provisions regarding the governance framework at InBC are to be reviewed and approved as required, or as required by legislative changes or developments in governance best practice.

## 4. BOARD OVERVIEW

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### 4.1. RESPONSIBILITIES

The key responsibilities of the Board are set out below.

The Board:

- oversees InBC's operations, mandate and overall strategic approach
- prepares, approves, and submits to the Minister – via the Board Chair - InBC's Service Plan, which outlines (among other items) InBC's strategic direction, goals, performance measures, targets, financial outlook and risks
- approves InBC's financial forecasts of expected revenues and expenditures for the current and next four fiscal years, for presentation to the Treasury Board as part of the Ministry budget
- appoints a CEO, including monitoring their performance and determining their remuneration and terms and condition of employment
- works through the Board Chair in concert with the CIO to develop a formal Investment Policy Statement ("IPS"), based on the Mandate Letter, which the CIO is responsible for executing
- hold accountable the CEO for the strategic direction of InBC, which includes the execution of the IPS by the CIO
- monitors, on a regular basis, performance against strategic and business plans (including the Mandate Letter, and the Service Plan) with a focus on key risks and strategies
- verifies that management has established and is applying appropriate audit, accounting, financial controls and financial reporting principles
- appoints an auditor
- reviews and approves annual financial statements and annual reports
- approves policies on the disclosure of interests and the handling of conflicts of interest
- establishes employee classification and pay
- establishes Board committees (as required)
- recommends potential new Board members to the Minister of JEDI as required
- with the advice of management, identifies and understands InBC's key risks and ensures that management has established appropriate systems to manage these risks

- participates in a collaborative relationship with the Government via the Board Chair and in a timely manner, keeps Government informed – via the Board Chair - of material issues that could affect InBC and InBC’s ability to meet targets set by Government

#### **4.2. BOARD EFFECTIVENESS**

The Board retains responsibility for managing its own affairs including:

- a) regularly reviewing the Board’s ability to be effective in fulfilling its roles and responsibilities
- b) regularly reviewing and updating the mandates of the Board, Board Committees, the Board Chair, and individual Directors
- c) developing a plan for Board membership renewal and nomination process
- d) providing comprehensive orientation and professional development sessions for Directors
- e) retaining and interacting with external professional services firms, consultants and advisors as needed to fulfil this mandate

#### **4.3. RELIANCE ON MANAGEMENT AND ADVISORS**

In carrying out its responsibilities, the Board:

- a) relies on InBC’s management to provide it with accurate and complete information
- b) where appropriate (i.e. considering InBC’s internal resources, procurement practices, and the Board budget) and in consultation with management, is entitled to retain and rely on external professional service firms, consultants and advisors as needed to support fulfilling its mandate

## **5. BOARD MEETINGS**

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### **5.1 BOARD MEETINGS**

Section 13 of the *InBC Act* prescribes that the Board must meet at least six (6) times per year. In addition, the Board may hold additional special meetings as required.

### **5.2 AGENDA**

The Corporate Secretary, in consultation with the Board Chair and CEO, develops the agenda for each Board meeting.

Under normal circumstances, the agenda and supporting materials will be distributed to Directors sufficiently in advance so that there one full week between receipt of materials and the meeting. All Directors are free to suggest items for discussion at Board meetings and additions to the agenda.

### **5.3 NOTICE**

Notice of Board meetings will be given to Directors at least five business days in advance, unless notice is waived.

### **5.4 QUORUM**

A majority of the Directors holding office constitutes a quorum at meetings of the Board<sup>8</sup>. The affirmative votes of the majority of the Directors present at a meeting of the Board at which quorum is present are sufficient to pass a resolution or bylaw of InBC. A resolution in writing, signed by all the Directors and filed with the minutes of the proceedings of the Directors, is as valid and effective as if the resolution were regularly passed at a meeting of the Board<sup>9</sup>.

### **5.5 INFORMATION FOR MEETINGS**

Material distributed to the Directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered and the decisions sought from the Board. Materials assembled in support of Board meetings will be coordinated by the Corporate Secretary. All material submitted for consideration by the Board becomes part of the record of the Board, and will be deposited with the Corporate Secretary for maintenance, safekeeping and access.

Reports may be presented during Board meetings by Directors, management, staff, or by invited outside advisors or guests. Presentations on specific subjects at Board meetings should

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<sup>8</sup> *InBC Investment Act* section 13(4)

<sup>9</sup> *InBC Investment Act* section 13(8)

briefly summarize the material sent to Directors, so as to maximize the time available for discussion on questions regarding the material.

Board meeting materials are provided on a secure [MS Teams site](#).

## **5.6 PROCEDURES AT MEETINGS**

The Board Chair is to preside at all meetings of the Board. In the absence of the Board Chair, the Vice-Chair presides. In absence of the Chair and the Vice-Chair, the Directors who are present must designate one of those present to preside<sup>10</sup>.

A Director may participate in, and vote at, a Board meeting: in person; by telephone, videoconference or other communication medium if all Directors participating in the meeting are able to communicate with each other. A Director participating in such a meeting by any such means is deemed to be present at the meeting.<sup>11</sup>

A resolution consented to in writing by all Directors, whether by email, facsimile or other electronic transmission, will be as valid and effective as if it had been regularly passed at a meeting of the Directors duly called and held.<sup>12</sup>

## **5.7 CONFLICT PROCEDURES:**

All directors will adhere to the following conflict management procedures in advance of and during meetings:

- **Disclosure of Conflict/Perceived Conflict:** Board members must declare any personal or financial interest in the matters being discussed. This should be done as soon as the conflict is identified, ideally in advance of the meeting but may also be disclosed at the start of the meeting. Board members should advise the Board Chair of the matter as soon as possible.
- **Recording the Conflict:** The declared conflict should be clearly recorded in the minutes of the meeting. This includes the nature of the conflict and the individual involved. Additionally the record of the conflict will be documented in the register for conflicts of interest
- **Assessing the Conflict/Evaluation:** Ideally, the conflict matter and proposed approach will be addressed prior to the meeting. Management, General Counsel, Board Conduct Review Advisor and/or external legal counsel may be consulted to provide guidance on managing the conflict.
- **Appropriate Action:** The conflicted member may be asked to recuse themselves from discussions and decisions related to the matter. This is the most common practice. In some cases, the member might be allowed to participate in discussions but abstain from voting.

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<sup>10</sup> *InBC Investment Act* section 13(3)

<sup>11</sup> *InBC Investment Act* section 13(6)

<sup>12</sup> *InBC Investment Act* section 13(8)

- Recusal Procedure: If recusal is decided, the member should physically leave the room or disconnect from a virtual meeting during discussions and votes on the relevant item. The Chair should ensure compliance with the recusal process throughout the meeting.

## **5.8 MINUTES**

The Corporate Secretary will provide the Board Chair with the draft minutes of each meeting of the Board as soon as possible after each meeting. The minutes, once approved by the Board, serve as the official record of the Board meeting.

## **5.9 BOARD DELIBERATIONS AND CONFIDENTIALITY**

The Board recognizes that certain materials for deliberation by the Board must remain in confidence with the Board. Directors will respect the provision that the official record of the Board's deliberations is provided through the approved minutes of the Board meeting.

## **5.10 BOARD ATTENDANCE**

Directors are expected to attend all meetings of the Board.

## **6 BOARD CHAIR**

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The following section describes the appointment, role and responsibilities of the Board Chair, as well as the Vice Chair.

### **6.1 APPOINTMENT**

The Board Chair is a Director who is designated in writing as such by the Minister of JEDI, after consulting with the Minister of Finance<sup>13</sup>.

### **6.2 ROLE**

The principal role of the Board Chair is to provide leadership to the Board. The Board Chair is accountable to the Minister. The Board Chair acts as a direct liaison between the Board and management (via the CEO), acts a direct liaison between the Board and Government (via the Ministers), and acts as a public spokesperson for Board decisions, where appropriate.

### **6.3 RESPONSIBILITIES**

The Board Chair:

#### **6.3.1 Working with Management**

- a) acts as a liaison between management and the Board via the CEO
- b) fosters a constructive relationship between the Board and management through regular contact with the CEO
- c) ensures the CEO is aware of concerns of the Board, the Ministers, the Government, the public, and stakeholders
- d) seeks to ensure that management presents to the Board – via the CEO – all information necessary to allow the Board to effectively discharge its responsibilities

#### **6.3.2 Board Operations**

- a) recommends an annual schedule of Board meetings
- b) in concert with the CEO and Corporate Secretary, develops and sets the Board meeting agendas
- c) calls meetings of the Board

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<sup>13</sup> *InBC Investment Act* section 6(3)



- d) presides over Board meetings<sup>14</sup>
- e) reviews pre-meeting information packages for completeness, with the goal of providing Directors with sufficient background information to enable them to prepare for the meeting
- f) recommends to the Board the chairs and members for each Committee
- g) when not a member of a certain Committee, may nonetheless attend that Committee's meetings as a non-member
- h) recommends to the Board the members of the Advisory Forum that the Board is empowered to appoint
- i) develops for approval by the Board, and monitors expenditures of, the annual Board budget
- j) oversees issues raised with respect to the Code of Conflict and Conflict of interest Policy
- k) signs documents on behalf of the Board as authorized by the Board

### **6.3.3 Board Effectiveness**

- a) leads the Board in fulfilling its governance responsibilities
- b) ensures the Board has cohesion of direction and purpose at a policy and strategic level
- c) maintains an appropriate boundary between the Board and management responsibilities
- d) liaises with Committee chairs to ensure coordination between the work of the Committees and the Board and satisfactory Committee reports for the Board
- e) makes themselves available to individual Directors for questions, counsel and discussions relating to InBC
- f) provides new Members with information on the Board's key issues as part of the Director orientation program
- g) keeps the Board up to date on all significant developments of InBC, both at and between meetings

## **6.4 VICE CHAIR**

The Board must elect a Vice Chair from among the Directors<sup>15</sup>. In the absence or incapacity of the Board Chair, or if the Board Chair position is vacant, the Vice Chair will preside.

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<sup>14</sup> *InBC Investment Act* section 13(2) – the chair is to preside over meetings but in their absence the vice chair is to preside.

<sup>15</sup> *InBC Investment Act* section 6(4)

In the absence of the Board Chair and the Vice Chair, the Directors who are present at a meeting of the Board must designate one of those present to preside<sup>16</sup>.

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<sup>16</sup> *InBC Investment Act* section 13(3)

## **7 INDIVIDUAL DIRECTORS**

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### **7.1 INTRODUCTION**

This position description for Directors sets out how the Board expects members to discharge their duties and responsibilities as Directors of InBC.

Further expectations of Directors are set out in the Code of Conduct / Conflict of Interest Policy for InBC.

### **7.2 STANDARDS OF CONDUCT**

In discharging their responsibilities, each Director must: act honestly and in good faith with a view to the best interests of InBC.

In keeping with these responsibilities, a Director is required to:

- comply with the *InBC Act* and any regulations made under it;
- comply with Board policies, including the Code of Conduct / Conflict of Interest Policy, and make full and timely disclosure of any actual, potential or apparent conflicts of interest in accordance with procedures set out in the Board's Code of Conduct in order to protect the integrity of InBC; and
- keep confidential information confidential, including all information associated with *in camera* meetings.

### **7.3 RELATIONSHIP WITH MANAGEMENT**

Each Director shall be available as a resource to management.

Directors may direct questions or concerns on the performance of management through Board and Committee meetings or through the Board Chair to the CEO.

Directors must respect the organizational structure of management. Communication with management takes place via the Board Chair to the CEO.

### **7.4 RELATIONSHIP WITH CIO**

The Board has no role in investment decision-making and cannot provide direction to the CIO whether directly or indirectly regarding investment decisions.

The independence of the CIO is statutorily prescribed in the *InBC Act* section 18(3) which prescribes that the CIO is not subject to direction from anyone. This includes: the government, the minister, the board or a Director, the chief executive officer or any public officer.

The CIO is accountable to the Board – via the CEO – for delivering InBC’s investment mandate and in accordance with the terms and parameters established in the IPS.

On a quarterly basis the Board of Directors, through the AIR Committee, will review the investments made by the CIO and their alignment with the IPS.

## **7.5 PUBLIC STATEMENTS**

The CEO is the primary spokesperson for InBC and the Board Chair is the primary spokesperson for the Board.

The Board speaks with one voice; although each Director has an important role as an ambassador of InBC, no Director should speak on behalf of InBC (e.g., to government, to the media, or issue statements on personal social media platform) in his or her capacity as an individual Director.

## **7.6 COMMUNITY ENGAGEMENT**

Directors are expected to engage with InBC’s stakeholders and the broader public.

Directors shall participate in and act as official representatives of InBC at certain events that may be organized by the Board or InBC (such as public engagement sessions). If attending an event or speaking on behalf of InBC, Directors shall be provided with speaking notes to support this undertaking.

Directors are valuable ambassadors of InBC who are well positioned to establish and foster strong relationships through two-way dialogue with the public, community members and partners. Each Director is expected to listen to the public, community members and partners and to share with them InBC’s unique mandate and mission.

## **7.7 INFORMATION REQUIREMENTS**

Directors must devote the necessary time and attention to be able to make informed decisions on issues that come before the Board. While management will provide Directors with the information that management thinks Directors need in order to discharge their responsibilities, Directors have a responsibility to ask for all information they think necessary to make an informed decision. Requests for information are to be directed through the Board Chair.

Directors are expected to be knowledgeable about InBC’s mandate, goals and objectives, and operations.

## **7.8 REMUNERATION**

In accordance with [Treasury Board directive 2/20](#), the Board may: (a) reimburse or pay an allowance to Directors for reasonable travelling and out-of-pocket expenses necessarily incurred in carrying out their duties, and (b) pay remuneration to Directors.

## **7.9 RESIGNATION**

According to section 10 of the *InBC Act*, resignations will be provided to the Minister and will be handled as follows:

*The resignation of a director takes effect on the later of the following: (a) the date and time that the director's written resignation is provided to the minister; (b) if the written resignation specifies that the resignation is to take effect on a specified date, on a specified date and time or on the occurrence of a specified event,*

- (i) if a date is specified, the beginning of the specified date,*
- (ii) if a date and time are specified, the specified date and time, or*
- (iii) if an event is specified, the occurrence of the specified event<sup>17</sup>.*

## **7.10 RE-APPOINTMENT**

A Director may be reappointed for additional terms of up to three (3) years each<sup>18</sup>.

The nomination process will be as follows: in accordance with requirements specified by the Minister, the Board must submit to the Minister names of individuals the Board recommends for membership on the Board. This may include Directors seeking another term. The Minister then, after consulting with the Minister of Finance, may recommend to Cabinet the appointment to Board of an individual recommended to the Minister.

## **7.11 RETURN OF MATERIALS**

Upon a Director's term ending, the Director is required to return to InBC all materials and other items belonging to InBC, including confidential Board materials, or destroy them to the satisfaction of the Board.

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<sup>17</sup> *InBC Investment Corp Act* section 10(2)

<sup>18</sup> *InBC Investment Corp Act* section 8

## 7.12 TRANSITION

The Directors of InBC who were appointed under the *Business Corporations Act* were continued as the Directors of InBC once its legislation passed<sup>19</sup>.

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<sup>19</sup> *InBC Investment Corp. Act* section 30

## **8 ADVISORY FORUM**

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### **8.1 APPOINTMENT**

Under the powers of the *InBC Act*, the Board may establish an Advisory Forum to provide advice to the Board. The Advisory Forum is to consist of up to 12 members. Half of its members – up to six (6) – can be appointed by the responsible Ministers. The other half – up to six (6) – can be appointed by the Board of Directors<sup>20</sup>.

### **8.2 ROLE**

The Advisory Forum is solely intended to advise and support the work of the Board. This could take the form of asking certain Advisory Forum members to sit on Board Committees (although not Chair them), if requested to do so.

If constituted, the Board is empowered to determine the specific activities of the Advisory Forum.

### **8.3 RESPONSIBILITIES**

If constituted, the Advisory Forum may:

- a) take on any work or provides any advice as requested by the Board of Directors; and
- b) have some of its members populated Board Committees, if asked to do so by the Board Chair.

### **8.4 REMUNERATION**

The Board may choose to (a) pay remuneration to Advisory Forum members and (b) reimburse or pay an allowance to advisory forum members for reasonable travelling and out-of-pocket expenses necessarily incurred in carrying out their duties<sup>21</sup>.

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<sup>20</sup> *InBC Investment Corp Act* section 25

<sup>21</sup> *InBC Investment Corp Act* section 25(3)

## **9 CHIEF EXECUTIVE OFFICER**

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### **9.1 APPOINTMENT**

The Board is responsible for appointing the CEO<sup>22</sup>.

### **9.2 ROLE**

The CEO provides leadership for InBC and has overall responsibility to the Board for the general supervision and direction of the corporation and its staff. The CEO does this by leading and managing InBC through the development and implementation of strategies and policies, the management of its human resources, efficient and effective operations and performing such other duties as may be set forth as specified by the Board in bylaws or resolution.

The CEO on the recommendation of the Board appoints the CIO<sup>23</sup>. The CEO is not responsible for investment decision-making or investment management. That function is the responsibility of the CIO, their team of investment professionals, and any external fund managers the CIO may choose to retain<sup>24</sup>.

### **9.3 ACCOUNTABILITY**

The CEO is accountable to the Board via the Board Chair.

### **9.4 DUTIES AND RESPONSIBILITIES**

The CEO:

#### **9.4.1 Leadership**

- a) leads and manages InBC operationally within the objectives set out in the strategic plan and agreed-upon performance measures
- b) provides leadership in the establishment and articulation of InBC's mission, mandate, vision and commitment statements
- c) ensures that InBC operates within established policies and priorities by apprising the Board of all matters affecting its responsibilities as set out in provincial statutes and regulations
- d) develops and implements operational policies to guide InBC within the framework of the vision and strategic goals approved by the Board

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<sup>22</sup> *InBC Investment Corp. Act* section 15

<sup>23</sup> *InBC Investment Corp Act* section 16(1).

<sup>24</sup> *InBC Investment Corp Act* section 18



- e) directs and monitors InBC's activities in a manner that ensures the assets of InBC are safeguarded and optimized

#### **9.4.2 Strategic**

- a) provides leadership in developing the strategic plan through a consultative process

#### **9.4.3 Board**

- a) supports the Board Chair and the Board in carrying out the Board's governance responsibilities, including the timely provision of relevant information
- b) provides the Directors, at Board and Committee meetings, with exposure to InBC's key management and, prior to appointing individuals to senior management positions, reviews their appointment with the Board
- c) seeks recommendations from the Board regarding the appointment of a CIO<sup>25</sup>

#### **9.4.4 Budget**

- a) prepares and submits to the Board an annual budget
- b) seeks Board approval for the levels of authority on expenditures against the annual budgets, capital plans and other actions or transactions falling outside the plans approved by the Board

#### **9.4.5 Financial and Risk Management**

- a) ensures the integrity of InBC's internal control and management systems
- b) identifies, and reports to the Board on the principal risks of InBC and ensures the implementation of effective systems to manage those risks

#### **9.4.6 Human Resources**

- a) Hires the CIO on the recommendation of the Board<sup>26</sup> and works collaboratively with the Chief Investment Officer
- b) develops and implements an organizational structure that is appropriate for the effective and efficient operation of InBC
- c) maintains a Board approved plan for management development and succession, including CEO succession planning

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<sup>25</sup> *InBC Investment Corp Act* section 16(1)

<sup>26</sup> *InBC Investment Corp Act* section 16(1)

#### **9.4.7 External Relations**

- a) acts as the primary spokesperson for InBC and oversees InBC's interactions with the public and stakeholders
- b) develops and implements a communications program to support InBC's strategic objectives
- c) maintains effective relationships in dealings with the federal, provincial and municipal governments, business, and the public at large

#### **9.4.8 Outside Commitments**

- a) obtains Board approval prior to accepting significant public service commitments and/or outside Board appointments

### **9.5 REMUNERATION**

The Board may determine the remuneration and the terms and conditions of employment of the CEO<sup>27</sup>.

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<sup>27</sup> Public Sector Employers Council (PSEC) is responsible for total compensation planning for the broader public sector, including crown agencies. PSEC provides direction to employers on compensation planning for all excluded employees, including chief executive officers.

## 10 CHIEF INVESTMENT OFFICER

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### 10.1 APPOINTMENT

The CEO, on the recommendation of the Board, is responsible for appointing the CIO<sup>28</sup>.

### 10.2 ROLE

The CIO is responsible for ensuring that investments of the assets of InBC are made (1) in order to achieve a financial return and (2) in accordance with the policy objectives of the Government, as set out in the Mandate Letter to InBC signed by the two Ministers and in accordance with the approved Investment Policy Statement (IPS)<sup>29</sup> In fulfilling this role, the CIO may rely on the team of investment professionals and any external fund managers that the CIO chooses to retain.

This exclusive authority of the CIO and his or her team to make investment decisions is expressly prescribed in section 18 of the *InBC Act*.

In exercising their responsibilities, the CIO will act in good faith in accordance with the expectations of a prudent and professionally qualified and experienced investment professional responsible for an investment mandate of a nature and scale consistent with that for which the CIO is responsible.

The CIO must

- Provide leadership and oversight for InBC's team of investment professionals
- Acknowledge in writing acceptance of the objectives, parameters and constraints in the IPS, and manage, oversee and execute InBC's investment operations in accordance with the IPS, and the Act.
- Perform due diligence on, and select investments that meet the objectives of the IPS while complying with the parameters and constraints of the IPS.
- Procure, and perform due diligence in the selection of, and dismiss any external investment managers engaged to manage InBC's assets in accordance with the IPS.
- Ensure any external investment managers engaged by InBC have a stated investment strategy that is aligned with InBC's IPS.
- Monitor each external investment manager's performance in accordance with InBC's and the manager's stated investment strategy.
- Liquidate investments as required to meet the objectives and comply with the IPS.
- Monitor investment performance.

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<sup>28</sup> *InBC Investment Corp Act* section 16(1)

<sup>29</sup> The Investment Policy Statement provides overall direction to the CIO and investment team regarding parameters for investing.

- Report important investment-related decisions, performance measures, overall asset allocation and financial metrics to the Chief Executive Officer and Board of Directors.
- Review the IPS and recommend revisions to the Chief Executive Officer and Board of Directors.

### **10.3 ACCOUNTABILITY**

The CIO is accountable to the Board – via the CEO – for delivering InBC’s investment mandate and in accordance with the terms and parameters established in the IPS.

On a quarterly basis, or more frequently as the Board may deem necessary, the Board will review the CIO’s performance against the IPS. This review may include:

- A review of the investment program and how investments decisions within the past quarter are appropriate in light of the IPS.
- A commentary on investment results in light of the appropriate standards of performance described in the IPS, measured quarterly, year-to-date, and annualized periods, and since inception.
- A synopsis of the key investment decisions made by the CIO, their underlying rationale including information on each investment made in the time period under review and how the investment is appropriate under the IPS and how those decisions could affect future results.
- A discussion of the Chief Investment Officer’s outlook, what investment decisions this outlook may trigger and how these decisions could affect future results.
- Overall risks on an investment and portfolio basis, including concentration etc., and the management of such risks.

If an investment is determined by the Board to not be in accordance with the IPS, the Board will direct the CIO to rectify the situation within a reasonable time frame (by the next quarterly review).

## **10.4 DUTIES AND RESPONSIBILITIES**

### **10.4.1 The CIO: Leadership**

- a) leads the team of investment professionals at InBC, as well as any external fund managers retained to invest and manage InBC's assets

### **10.4.2 Board**

- a) works in concert with the Board to develop a formal IPS, based on the Mandate Letter, which the CIO is responsible for executing
- b) on a quarterly basis the Board of Directors will perform a review of the CIO's performance against the IPS.
- c) regularly reports to and responds to requests from the Board – via the CEO – regarding the execution of the IPS based on the mandate letter and legislation

### **10.4.3 Financial and Risk Management**

- a) works closely with the CEO to identify the principal risks to InBC, including but not limited to investment risks, and works closely with the CEO to ensure the implementation of effective systems to manage those risks

### **10.4.4 Human Resources**

- a) works collaboratively with the CEO, including so that each of the CIO and CEO are part of the hiring process for all members of the investment team

### **10.4.5 Outside Commitments**

- a) obtains CEO approval prior to accepting significant public service commitments and/or outside Board appointments.

## **10.5 REMUNERATION**

The Board, on the recommendation of the CEO, may determine the remuneration and the terms and conditions of employment of the CIO<sup>30</sup>.

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<sup>30</sup> *InBC Investment Corp Act* section 16(2). Additionally, the Public Sector Employers Council (PSEC) is responsible for total compensation planning for the broader public sector, including crown agencies. PSEC provides direction to employers on compensation planning for all excluded employees.

## **11 CORPORATE SECRETARY**

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### **11.1 APPOINTMENT**

The Corporate Secretary works with the Board Chair, the Board and the CEO.

### **11.2 ROLE**

The Corporate Secretary reports to the CEO and supports the Board in respect of Board meetings and corporate records by providing resources, with particular emphasis on facilitating the flow of information.

### **11.3 DUTIES AND RESPONSIBILITIES**

Under the instruction of the CEO, the Corporate Secretary:

- a) ensures that notices of meetings of the Board are provided
- b) attends all the meetings of the Board, unless otherwise instructed by the Board or, failing such instruction, unless otherwise instructed by the Board Chair
- c) ensures, as soon as practicable after each meeting of the Board, that comprehensive minutes of the meeting, including the names or titles of all persons present at the meeting, are prepared and distributed to all Directors
- d) maintains custody of the minutes and records of the Board

## **12 BCRCF**

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The BC Renaissance Capital Fund (“BCRCF”) is a wholly owned subsidiary of InBC. It was established in 2007. When the BC Immigrant Investment Fund (BCIIF) was renamed the InBC Investment Corp. in September 2020, InBC assumed responsibility for this legacy fund.

The InBC Board is responsible for appointing the Board of the BCRCF.

The BCRCF invests as a limited partner in venture capital funds where the majority of capital comes from other private and public investors. This investment model allows the BCRCF to stimulate and leverage additional capital and the investment expertise of fund managers.

The BCRCF invests on standard venture capital industry terms and conditions and follows private equity industry best practices for information disclosure, due diligence and active monitoring of fund performance.

BCRCF fund managers make all investment decisions and provide a diversity of investment options to BC technology companies and access to a variety of investor networks.

## **13 RISK MANAGEMENT OVERSIGHT**

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### **13.1 INTRODUCTION**

The following describes InBC’s risk management principles applicable to all types of risk in all activities undertaken by or on behalf of InBC. It also outlines the risk management roles and responsibilities for the CEO, the CIO, the Board and the Risk Committee.

InBC takes seriously its obligations to ensure that material risks are identified, to ensure the implementation of systems to manage or eliminate those risks, and to ensure those systems are regularly reviewed and updated. A material risk is defined as the chance of something happening, measured in terms of probability and impact, that may adversely affect the achievement of InBC’s strategic or major business objectives.

Risk management applies to and will inform all of InBC’s activities including developing strategic plans, preparing operational plans and capital budgets, operating InBC’s facility, and generally, in all decision making processes.

### **13.2 DUTIES AND RESPONSIBILITIES**

The duties and responsibilities in the risk management process are shared among the CEO, the CIO, and the Risk Committee. Primary responsibility for InBC’s risk management is vested in the CEO and overseen by the Board of Directors.

## **CEO**

The CEO is responsible for establishing processes, procedures and mechanisms by which key matters of risk are identified, and ensuring that strategies are developed to manage such risks.

## **CIO**

The CIO is responsible of the overall approach and monitoring of risks in the investment strategy of InBC.

## **Board**

The Board:

- a) understands the key risks of InBC's operations
- b) ensures, through regular reviews and assessments, that management has established appropriate systems to manage these risks
- c) receives regular reports on the management of material risks to InBC
- d) In particular, the Board reviews with management the policies and procedures that are in place to identify, manage and monitor material risk including, but not limited to the following risk categories:
  - Investment Risk
  - Strategic Risk
  - Operational Risk
  - Information Security Risk



## **14 DIRECTOR INDEMNITY AND LIABILITY INSURANCE**

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### **14.1 EXCLUSION OF LIABILITY**

Directors are protected against actions for damages in respect of any act or omission in the course of their duties, excepting acts of bad faith.

### **14.2 LIABILITY POLICY**

Directors are covered under the government's general liability policy, covering bodily injury liability, property damage liability, Directors and Officers and errors and omissions liability. More information about the coverage is available from the Ministry of Finance.

## 15 DIRECTOR REMUNERATION AND EXPENSES

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Compensation for Directors will be in accordance with Treasury Board Directive 32/20<sup>31</sup>.

*“In accordance with the general directives of Treasury Board, the Board may*

*(a) reimburse or pay an allowance to directors for reasonable travelling and out-of-pocket expenses necessarily incurred in carrying out their duties, and*

*(b) pay remuneration to director.”*

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<sup>31</sup> <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/government-finances/treasury-board-directives/tbd2-20-remuneration-guidelines-for-appointees-to-crown-agency-boards.pdf>

## **16 GOVERNANCE MANUAL REVIEW**

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Directors shall review the Governance manual annually to confirm it is up-to-date and reflects InBC's organizational circumstances.

## **17 APPENDIX A: CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY: DIRECTORS AND SENIOR OFFICERS**

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### **INTRODUCTION AND APPLICATION**

InBC is committed to the highest standards of ethics and integrity. The purpose of this Code of Conduct and Conflict of Interest Policy (the “Code”) is to establish minimum standards of conduct expected and required of all Board Members and senior officers, and to support ethical decision-making at InBC. The Code is not exhaustive, and it is acknowledged that no articulation of policies, guidelines and procedures to govern conduct can anticipate all situations. The Code applies to all Directors and Senior Officers of InBC.

### **COMPLIANCE WITH LAW AND ETHICAL STANDARDS**

The provisions of the Code are in addition to, and not in substitution for, any Director’s or Senior Officer’s obligation to InBC imposed upon by the *InBC Investment Corp. Act*, or otherwise pursuant to law. Compliance with the Code shall not relieve a Director or Senior Officer from any such obligation. Consequently, a Director or Senior Officer uncertain of his or her duties in any particular circumstance should raise this concern with the Board Chair or the Conduct Review Advisor (see below) in order to obtain appropriate guidance and advice.

This Code:

- a. reviews Directors and Senior Officers’ duties;
- b. explains conflict of interest and identifies potential conflicts of interest specific to InBC and of a general nature;
- c. provides guidance to all Directors or Senior Officers with respect to matters of compliance, conflict of interest, confidentiality, accounting practices and communications, complaints procedure and responsibility to disclose;
- d. outlines the consequences of a breach of the Code; and
- e. provides a Form of Declaration for Directors or Senior Officers to sign to confirm their agreement to comply with the Code.

### **DEFINITIONS**

In the Code:

- a. “private interest” means a pecuniary or economic interest or advantage and includes any real or tangible benefit that personally benefits the Director or Senior Officer or their associate;
- b. “associate” means:

- i. a spouse of the Director or Senior Officer;
  - ii. a child of a Director or Senior Officer;
  - iii. a relative of the Director or Senior Officer who is living in the family residence;
  - iv. a friend of the Director or Senior Officer;
  - v. a corporation of which the Director or Senior Officer beneficially owns, directly or indirectly, more than 20% of the voting rights attached to all outstanding voting securities of the corporation;
  - vi. a trust or estate in which the Director or Senior Officer has a substantial beneficial interest or for which the Director or Senior Officer serves as trustee; and
  - vii. a member of a society (as defined under the Society Act, RSBC 1996, c. 433) of which a Director or Senior Officer is an executive member.
- c. “friend” includes an individual with whom the Director or Senior Officer is connected by frequent or close association;
  - d. “relative” means a relative by blood, adoption or marriage; and
  - e. “spouse” means a person to whom the Director or Senior Officer is married or with whom the Director or Senior Officer is living in a marriage-like relationship.

## **DUTIES**

Directors and Senior Officers’ duties include the following:

**Duty of Loyalty** – Directors or Senior Officers must act honestly, in good faith and in the best interests of InBC. In placing the interests of InBC ahead of their own personal or business interests, Directors or Senior Officers must:

- a. be honest in their dealings with InBC and with others on behalf of InBC;
- b. avoid situations where they could: profit at the expense of InBC; or appropriate a business opportunity of InBC; or otherwise put themselves in a position of conflict between their own private interests and the best interests of InBC;
- c. keep confidential information confidential and avoid speaking against or undermining any decision of the Board; and
- d. no Director should speak on behalf of InBC (e.g., to government or to the media) in his or her capacity as an individual where this could be perceived as an official act or representation of InBC unless specifically authorized to do so by the Board Chair.

**Duty of Care** – Directors and Senior Officers owe a duty of care to InBC and must exercise the degree of skill and diligence reasonably expected from an ordinary person of his or her knowledge and experience.

**Duty of Confidentiality** – Director and Senior Officers must not divulge confidential information that they receive to anyone other than persons who are authorized to receive the information. The duty to maintain information in confidence continues after a Director or Senior Officer ceases to be a Director or Senior Officer.

**Duty to Disclose** – Directors have a duty of continuing disclosure. If a Director becomes aware of a matter which they have or may have a duty to disclose or report, Directors must advise the Board as soon as is reasonably practicable. If a Director is uncertain as to whether a conflict exists, they may discuss the matter with the Board Chair.

Senior Officers also have a duty of continuing disclosure. Senior Officers must advise the CEO as soon as is reasonably practicable.

**Duty of Compliance** – Directors and Senior Officers shall comply with all applicable laws and regulations and with InBC's Bylaws and policies adopted by the Board from time to time, including this Code. No Director or Senior Officer shall commit or condone an illegal act or instruct another Director or Senior Officer to do so.

**Duty of Knowledge** – Directors and Senior Officers must familiarize themselves with the relevant legislation applicable to InBC, including the *InBC Act*, and satisfy themselves that appropriate safeguards are in place to assure their compliance with that legislation.

## **CONFLICT OF INTEREST PRINCIPLES**

The InBC Act s. 11(4) requires the board to pass bylaws that establish a policy, applicable to Directors and senior officers, on the disclosure of interests and the handling of conflicts of interest. This document addresses this legislative requirement.

Conflicts of interest typically occur when a person's personal interests conflict with or are perceived to conflict with, the business of InBC, such that doubts may arise about the impartiality of business decisions made or interests by the person, or the integrity of the organization. To preserve a reputation of honesty and integrity, Directors and Senior Officers must avoid situations which may result in a reasonable perception of a conflict between their personal interests and their role as a Director or Senior Officer, even if there is no intention to be unfair or dishonest.

It is important to recognize that a reasonable perception of a conflict of interest is as important as a real conflict of interest, as it can undermine public trust in the organization.

## **CONFLICT OF INTEREST**

A conflict of interest is a situation in which the private interests of a Director or Senior Officer conflict, potentially conflict or appear to conflict directly or indirectly with their duties to InBC, including their duty to act in the best interests of InBC.

An **actual conflict of interest** exists where a Director or Senior Officer exercises an official power or performs an official duty, at the same time knowing that, in exercise of such performance, there is the opportunity to further a private interest.

A **potential conflict of interest** exists where there is some private interest that could influence the performance of a Director or Senior Officer's duty or function or the exercise of power, provided that they have not yet exercised that duty or function.

A **perceived conflict of interest** exists where an informed person might reasonably hold the view that a conflict of interest exists on the part of the Director or Senior Officer.

InBC's primary and strongest defence against conflicts of interest is a strategy of avoidance. By creating systems and processes that, as a matter of practice, avoid actual, potential or perceived conflicts of interest, InBC can most effectively reduce the risks associated with conflict of interest.

Each Director and Senior Officer has a responsibility **first and foremost to the interests of InBC**. Every Director and Senior Officer should avoid any situation in which there is an actual, potential, or perceived conflict of interest, which could interfere with the Director or Senior Officer's judgment in making decisions in InBC's best interest. Directors and Senior Officers must conduct themselves in a way that separates their personal and professional use of social media and must avoid all real or potential conflicts of interest.

#### **RULES PERTAINING TO CONFLICT:**

Directors and Senior Officers must avoid any situation or decision-making in which there is a real or potential conflict of interest.

Directors and Senior Officers must not use their position at InBC to pursue or advance personal interests, the interest of a family member or an associate, or the interest of a person to whom an obligation is owed.

Directors or Senior Officers must not directly or indirectly benefit from a transaction with InBC where Directors or Senior Officers can directly or indirectly influence a decision relating to the transaction.

Directors or Senior Officers must not take personal advantage of an opportunity available to InBC unless InBC has clearly and irrevocably decided against pursuing the opportunity and the opportunity is also available to the public.

Directors or Senior Officers must not use their position at InBC to solicit clients for a business or partnership Directors or Senior Officers are personally involved with, or for a business operated by a family member, close friend, associate, or for a corporation in which a Director or Senior Officer or a family member of Director or Senior Officer has a controlling interest.

#### **GUIDELINES**

There are several situations that could give rise to a conflict of interest, or potential conflict of interest. The most common are accepting gifts, favours or financial benefits from suppliers,

close or family relationships with suppliers, disclosing confidential information or using confidential information inappropriately.

## **POTENTIAL CONFLICTS OF INTEREST RELATING TO INBC**

The shareholder recognizes the potential for real or apparent conflicts to arise but is of the view that the benefit of having expert individuals from the private sector with relevant expertise on the Board outweighs the potential downside of managing potential conflicts of interest that are not regularly recurring (i.e. not systemic).

In situations where a conflict arises that is not regularly recurring, conflicts can be managed under a well-defined protocol that requires the Director or Senior Officer to disclose the conflict and refrain from participating in any discussion or decision on the matter.

## **GENERAL CONFLICT OF INTEREST SITUATIONS**

The following examples have been developed to provide guidance to Directors or Senior Officers in areas where actual or potential conflicts of interest or other ethical issues may arise. They do not constitute an exhaustive list.

**Corporate Opportunity** – No Director or Senior Officer should receive personal financial benefit through the use of confidential information in relation to the business of InBC. Examples of situations that could contravene this policy are:

- a. taking advantage, for personal gain, of a business opportunity known because of one's position with InBC;
- b. speculating in any commodity or investment or real estate that is or is likely to be acquired or required by InBC; and
- c. conducting any private business activity from or by using any InBC asset for personal purposes.

**Investment Activity** – Directors or Senior Officers may not, directly or indirectly through associates, acquire or dispose of any interest, including publicly traded shares, in any entity when in possession of confidential information obtained in the performance of their duties with InBC that could affect the value of such interest.

**Entertainment, Gifts and Benefits** - In this discussion, "gifts or benefits" include cash, preferred loans, securities or secret commissions and "entertainment" includes invitations to attend events, meals, or functions, or to take part in excursions.

It is essential that all those who do business with InBC have access to InBC on equal terms. Directors or Senior Officers should not accept entertainment, gifts or benefits that grant or may appear to grant preferential treatment to an individual or entity that does business with InBC.



Similarly, no Director or Senior Officer may offer entertainment, gifts or benefits in order to secure preferential treatment for InBC.

**Non-Profit or Professional Association** – From time to time, a Director or Senior Officer may reach a position of leadership in a non-profit or professional association where they may be viewed as a spokesperson for that group. In such situations, the Director or Senior Officer should take reasonable steps to ensure that when speaking on behalf of such an association they are seen as speaking for the organization and not as a spokesperson of InBC.

**Use of InBC Property** – InBC assets must not be misappropriated for personal use by Directors or Senior Officers. Directors and Senior Officers are entrusted with the care, management and cost-effective use of InBC's property, including the use of InBC's name, and should not make use of these resources for their own personal benefit or purposes. Directors or Senior Officers should ensure that any InBC property assigned to them for business purposes is maintained in good condition and they should be able to account for such property.

## **PROTOCOL FOR DEALING WITH CONFLICTS OF INTEREST**

A Director has an obligation to declare a conflict of interest to the Board at the earliest possible time and, in any event, prior to discussion or decision of an issue. Upon declaration of a conflict at, or prior to, a Board meeting, the person recording the meeting's proceedings notes the declaration and the Director must:

- a. refrain from further participation in any activities involved with the matter; and
- b. absent themselves from the proceedings during discussion or decision on that particular matter.

Where a Director is unsure of whether they are in conflict, that Director should raise the potential conflict with the Board, and the Board determines by majority vote whether or not a conflict of interest exists. The Director with the potential conflict does not vote. The Director absents themselves during discussion and voting by the remaining Directors. The Director may be asked to return only to answer questions and clarify matters pertaining to the potential conflict.

A Director who perceives another Director to be in conflict should identify the potential conflict to the Board at the first opportunity. The Board determines by majority vote whether or not a conflict of interest exists, and the person with the potential conflict does not vote. The Director absents themselves during discussion and voting by the remaining Directors. Before doing so, the Director may give the Board a statement on their opinion of whether a conflict exists. The Director may be asked to return to answer questions and clarify matters pertaining to the potential conflict.

Where a conflict of interest is discovered after consideration of a matter, the conflict must be declared to the Board and appropriately recorded at the first opportunity. If the Board determines that the Director's involvement has, or could be perceived to have, influenced the decision, the Board must re-examine the matter and may rescind, vary or confirm its decision.

## **CONFIDENTIALITY OF BOARD INFORMATION**

Board confidentiality is essential to ensure that full and frank discussion of issues deemed as confidential may take place in an atmosphere free from the risk of inappropriate disclosure. All information shared by Directors or Senior Officers and those presenting information to the Board shall be treated with the utmost confidentiality, except when it is clearly understood that the information is in the public domain.

InBC Directors or Senior Officers may only disclose confidential information to external third parties when disclosure is authorized or required by law, any other enactment or in a court proceeding. Any other external disclosure of confidential information is subject to prior approval of the Board Chair and CEO.

## **HARASSMENT AND DISCRIMINATION**

InBC is committed to maintaining and supporting an environment that is respectful and free from harassment and discrimination of any nature. Directors and Senior Officers shall act honestly and fairly, and without discrimination based on age, gender, race, colour, national or ethnic origin, language, religion, sex, gender, sexual orientation, marital or family status, mental or physical disability, gender identity or gender expression, or any other ground prohibited by law.

## **ACCOUNTING PRACTICES AND COMMUNICATIONS**

Strict compliance with prescribed accounting procedures and controls will be practiced at InBC at all times. All assets, liabilities, income and expenses shall be correctly identified and recorded in the appropriate books of account. No Director or Senior Officer shall make any false or misleading statement to internal or external auditors or conceal or omit information necessary to make statements to such auditors meaningful. No Director or Senior Officer will withhold any books or records relevant to any subject under review from the internal or external auditors.

## **COMPLAINTS PROCEDURE**

InBC is committed to maintaining a workplace in which InBC can receive and address all complaints regarding violations or perceived violations of the Code.

All complaints received by InBC in respect of the Code shall be referred to the Board Chair. The Board Chair shall conduct such investigation as they consider appropriate and ensure any documentation obtained as part of the investigation is retained in a secure location. In the event the complaint is regarding the Board Chair, the Vice-Chair shall conduct the investigation. The privacy of an individual who makes a complaint in respect of this Code will be respected as much as is possible in the circumstances. Senior leadership is responsible for ensuring that any individual who, in good faith, has made a disclosure of a breach or potential breach of this Code does not suffer any adverse consequences as a result.

All disclosures will be kept confidential unless disclosure of information is authorized or required by law.

InBC prohibits discrimination, harassment or retaliation against anyone who, honestly and in good faith, provides information or otherwise assists in an investigation or proceeding regarding an alleged breach of the Code. An individual who honestly, and in good faith, makes a complaint regarding a breach or perceived breach of the Code shall not, as a result of those activities, be discharged, demoted, suspended, threatened or harassed, or otherwise discriminated or retaliated against in the terms or conditions of employment or the terms of any contractual relationship with InBC.

The individual making the allegation of impropriety should undertake such reporting honestly and in good faith.

### **CONTINUING INVESTMENT DECLARATIONS**

On a monthly basis, Directors are provided with notification certain pending investments. Directors are required to promptly disclose any real or perceived investment conflicts of interest upon receiving this information. These disclosures are documented by the Corporate Secretary in the corporate record and reported to the CEO and the General Counsel on a monthly basis.

### **ANNUAL DECLARATION**

Directors and Senior Officers are required to annually complete the Form of Declaration set out in Appendix B to acknowledge that they have read and understand the Code.

### **CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY REVIEW**

The Board of Directors must review the Code of Conduct and Conflict of Interest Policy Annually.

### **CONDUCT REVIEW ADVISOR**

The Conduct Review Advisor is an individual appointed by the Board to provide the Board with confidential, objective, external advice about ethical conduct and conflicts of interest as set out in the Code.

The terms of reference for the Conduct Review Advisor are attached at the end of Appendix A.

The primary responsibilities of the Conduct Review Advisor are to be available to the Board upon their appointment to provide guidance and assistance with respect to conflicts of interest and disclosure, and to provide confidential, independent advice and support to Directors or Senior Officers who may have questions about standards of conduct and conflicts of interest. The Board may find it helpful to consult the Conduct Review Advisor before taking action or making a decision that they think may raise an issue under the Code. All disclosures to the

Conduct Review Advisor will be kept confidential unless, in the opinion of the Conduct Review Advisor, the matter disclosed constitutes an actual or potential threat of material harm to InBC, its employees, the Shareholder, or the public. This process does not replace or negate the obligation of a Director or Senior Officer to make a disclosure to the Board or CEO pursuant to procedure set out above.

## **TERMS OF REFERENCE FOR CONDUCT REVIEW ADVISOR**

### **1. Purpose:**

The Conduct Review Advisor contributes to the good governance of InBC and assists the InBC Board of Directors and Senior Officers in maintaining the highest standards of conduct, integrity and impartiality in decision-making.

### **2. Appointment:**

The Conduct Review Advisor is appointed by the Board and after consultation with InBC's CEO. They shall initially be appointed for a period of up to 2 years, and then for any subsequent periods as may be determined by the CEO. The Conduct Review Advisor's appointment may be terminated at any time by the Board in consultation with InBC's CEO. At which time the Board, in consultation with InBC's CEO will appoint another Conduct Review Advisor.

In performing their responsibilities, the Conduct Review Advisor will be independent of any office of InBC.

### **3. Responsibilities:**

The primary role of the Conduct Review Advisor is to provide Director or Senior Officers to the Board with confidential, objective, external advice about ethical conduct and conflicts of interest. The Board has adopted standards of conduct and conflict of interest policy for Director or Senior Officers – the InBC Code of Conduct and Conflict of Interest Policy.

The primary responsibilities of the Conduct Review Advisor include:

- a) to be available to Director or Senior Officers for consultation, as well as to provide confidential and independent advice and support to Director or Senior Officers who may have questions about standards of conduct or conflicts of interest.
- b) to meet with Director or Senior Officers, upon their appointment, and annually, to provide guidance and assistance to Director or Senior Officers with respect to conflicts of interest and disclosure.
- c) to provide advice and guidance regarding conflict of interest questions and ethical questions directed to the Advisor from the Board.
- d) to provide opinions to the Board Chair, upon request, in cases where a Director or Senior Officer is unsure if they are in a conflict.
- e) to provide recommendations to the Board on matters relating to the Code, including review and recommend updates to the Code.
- f) to provide other related assistance and services, such as education of the Board on conflict of interest matters.

### **4. Confidentiality:**

The Conduct Review Advisor must sign a confidentiality agreement upon their appointment. The Advisor is expected to maintain confidentiality with respect to information disclosed to them in the course of performing their duties, subject to the reporting and disclosure requirements in sections 5 and 6 of this Terms of Reference.

5. Reporting:

The Conduct Review Advisor may provide at the request of the Board a report to the Board with an overview of the Advisor's activities, specific cases, and systemic issues.

6. Protocol and Procedure for Disclosure:

6.1. Disclosure to Conduct Review Advisor:

At the time of appointment as a Director or Senior Officer, each Director or Senior Officer will meet with the Conduct Review Advisor:

- a) to disclose to, and discuss with, the Advisor private interests that the Director or Senior Officer and their associates have to assist the Director or Senior Officer in determining whether such private interests could result in an actual, apparent or potential conflict of interest under the Code; and
- b) to discuss any steps that should be taken to avoid or manage such conflicts of interest.

In meeting with individual Director or Senior Officers, the Conduct Review Advisor will explain the extent to which, in their judgement, it may be necessary to disclose information provided directly to the Board Chair.

6.2. Encouragement to Report to Board Chair:

If the Advisor is of the opinion that the circumstances give rise to a conflict of interest, or are a breach or possible breach of the Code, the Advisor will encourage the Director to report the circumstances to the Board Chair and the Board. Senior Officers will be encouraged to report the circumstances to the CEO.

If the disclosing Director or Senior Officer is reluctant to report the circumstances, the Advisor will offer to provide assistance in making this report by attending with the Director or Senior Officer, by reporting the circumstances on that Director or Senior Officer's behalf, or by any other means the Advisor considers to be appropriate in the circumstances.

6.3. Advisor Conclusion:

If the disclosing party has indicated an intention not to report the circumstances, the Conduct Review Advisor:

- a) will record the advice and offers of assistance given and provide a copy of the record to the disclosing Director or Senior Officer;

b) will assess whether the disclosed circumstances are likely to negatively impact the reputation of InBC, or impair the independence, integrity or public confidence in InBC's operations.

If the Conduct Review Advisor is of the view that the disclosed circumstances are likely to negatively impact the reputation of InBC, or impair the independence, integrity or public confidence in InBC's operations, the Advisor will advise the disclosing Director or Senior Officer of this conclusion, and the Advisor's intent to discuss the disclosed circumstances with the Board Chair.

#### 6.4. Protection of Privacy:

If the Conduct Review Advisor discusses these disclosed circumstances with the Board Chair, the Advisor and the Board Chair will make reasonable efforts to protect the privacy of the disclosing Director or Senior Officer. However, this privacy may not be protected in all cases, including if the disclosing Director or Senior Officer appears to have deliberately misrepresented the disclosed circumstances.

#### 6.5. Investigation:

The Advisor may recommend to the Board Chair that an investigation be conducted into the disclosed circumstances.

#### 7. Protocol in Respect of Conduct Review Advisor Conflicts:

Where the Conduct Review Advisor holds private interests, or occupies a position or office, which have the potential to place them in a conflict of interest, or has the potential to otherwise compromise the integrity of the role, conduct or advice of the Advisor, the following shall apply:

- a) the Conduct Review Advisor will inform the Board Chair of the circumstances in question;
- b) the Board Chair will ensure that the Director or Senior Officers are informed of the conflict;
- c) the Board Chair will arrange for alternate advice for the Director or Senior Officers in relation to the specific matter; and
- d) in all other respects, the Conduct Review Advisor's appointment will continue.

**18 APPENDIX B: FORM OF ANNUAL DECLARATION FOR DIRECTORS OR SENIOR OFFICERS**

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**ANNUAL DECLARATION FOR DIRECTOR OR SENIOR OFFICERS**

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Name:

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This Statement discloses information as of \_\_\_\_\_ (Date)

**I have read and understood this Code of Conduct and Conflict of Interest Policy and I agree to comply with all of its terms.**

A real, potential or apparent conflict with my duty as a Director or Senior Officer of InBC may arise because:

I, \_\_\_\_\_ (print name), declare that:

1. Other than disclosed above, I do not have any relationships or interests that could compromise, or be perceived to compromise, my ability to exercise judgment with a view to the best interests of InBC.
2. I have read and considered this Code of Conduct and Conflict of Interest Policy and agree to conduct myself in accordance with its terms.
3. I agree to promptly provide an updated Declaration annually or as may be required by changed circumstances.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date





## 19 AMENDMENT HISTORY

Date	Version No	Summary of Amendments
September 2021	1.0	
September 2023	1.1	Update of Ministry Name from JERI to JEDI Update to reflect created committees Provision added regarding termination of Conduct Advisor Provision added regarding annual board members meeting with the Conduct Advisor
September 2024	1.2	Additional section added 5.7 Conflict Procedures to provide greater clarification regarding the management of identified Board conflicts during meetings