



Forest Enhancement  
Society of British Columbia

# Board of Directors' Manual

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SEPTEMBER 2020 - Approved at the September 10, 2020 Board Meeting

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## SECTION 1 - INTRODUCTION

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### 1. ENABLING LEGISLATION & ARTICLES OF INCORPORATION

Order in Council Number 198 (OIC 198) was signed by the Lieutenant Governor on April 15, 2019. Under the authority of the Budget Transparency and Accountability Act, OIC 198 amended the Government Reporting Entity Regulation to add FESBC to the list government reporting entities.

The Ministry of FLNRORD may develop Orders in Council to apply additional Government legislation as required (e.g. the Financial Administration Act, the Financial Information Act, the Budget Transparency and Accountability Act, the Freedom of Information and Protection of Privacy Act, etc.). Also, specific enabling legislation to align delegated powers and authorities to the Government Reporting Entity mandate may be developed by the Ministry of FLNRORD in consultation with the Crown Agencies Secretariat, the Office of the Comptroller General, Treasury Board Staff, the Ministry of Attorney General, and Cabinet Operations, for approval by the Legislation Review Committee of Cabinet.

In addition to being a Government Reporting Entity, FESBC is incorporated as a society and needs to maintain compliance with the Societies Act by filing annual reports and updating any changes to society information such as:

- Change of directors;
- Change of society's address;
- Change in bylaws;
- Change of the constitution (name or purposes);
- Amalgamation of societies;
- Dissolution of the society; or
- Restoration of the society.

Public sector organizations, like private sector companies, are independent legal entities governed by boards of directors. The duties of public sector boards are similar in many ways to their private sector counterparts, but there are significant differences in the legal, regulatory and operational environments that shape the responsibilities and expectations facing public sector directors. Public sector boards must take these differences into account when constructing their governance regimes and it is particularly important for them to understand both the context in which public sector organizations are created and the Government's ongoing role in their governance.

Government establishes public sector organizations to serve the public interest and to advance overall public policy objectives. Each organization is given a specific mandate, which is communicated either through governing legislation, its constituting documents or, where applicable, by Government policy.

Government performs cyclical reviews of each organization’s mandate to ensure that it continues to be relevant and that the service delivery model continues to represent value to taxpayers. Boards may be asked to participate in the review or provide input on specific mandate issues, but decisions regarding a public-sector organization’s overall mandate always remain within the purview of Government.

Where appropriate, Government may give a public-sector organization a specific direction on a particular matter. This type of direction is usually made only after discussion with the organization.

While it is the case that public sector organizations are provided greater autonomy and flexibility in decision-making than Government ministries, their boards must nevertheless be alert to the Government’s broad public policy objectives. They must also ensure that their organization’s strategic initiatives are aligned with the mandate set by Government.

This “Board of Directors Manual” (the “Board Manual”) has been prepared for the Directors of the Forest Enhancement Society of British Columbia (“FESBC” or the “Society”).

The Board Manual sets out the governance structure and non-financial policies pursuant to which the Board exercises its duty to: *“manage or supervise the management of the activities and internal affairs of the Society.”*

To ensure FESBC adheres to its mandate, the Board Manual incorporates the Board’s responsibilities as set out in the legal framework and reflects today’s best governance practices.

The Board Manual is divided into the following sections:

**Introduction** summarizes the framework governing FESBC and provides common definitions of terms used throughout the manual.

**Roles and Responsibilities** sets out the responsibilities of the Board and the Board vis-à-vis the provincial government, Board Chair, individual Directors, the Executive Director (“ED”), the Corporate Secretary (Governance Chair), the Treasurer (Finance Chair) and the operating guidelines and terms of reference for Board Committees.

**Board Organizational Oversight** sets out the processes used by the Board for overseeing the performance of the Society as a whole, including: strategic planning, risk management oversight, and ED evaluation and succession planning.

**Effective Board Functioning** sets out policies that guide the Board in its functioning, including; Board Meeting Guidelines, Orientation and Professional Development, Evaluation, Skills Matrix, Succession Planning, and Director and Officer indemnity liability insurance.

**Code of Conduct and Conflict of Interest Guidelines** contain the policy guidelines.

**Acknowledgment and Declaration for Directors – Annual Signatory Form** - each Director is provided with a copy of the Board Manual and are asked to annually sign and return the Acknowledgment and Declaration Form to the ED to acknowledge the receipt and understanding of the Manual’s contents including the Code of Conduct and Conflict of Interest

Guidelines. ADM's may also wish to read the 'General Conduct Principles for Public Appointees' found on the BC Government website: [Link to Crown Agencies & Board Resourcing Office](#)

**Appendix** - this section includes the Constitution and Bylaws of FESBC.

NOTE: The latest version of the FESBC Mandate Letter may be referenced on the FESBC website, [www.fesbc.ca](http://www.fesbc.ca).

## 2. GOVERNANCE FRAMEWORK

### 2.1 Overview

The Board of Directors plays a central role in the leadership of any organization. While the Board may hire management to conduct day-to-day operations, the Board is ultimately responsible to ensure the organization is successful and achieves its mandate. Under the *BC Societies Act*, the Directors must “*manage, or supervise the management of, the activities and internal affairs of the society.*” In carrying out their responsibilities, Directors must adhere to two legal duties: the first, commonly known as the fiduciary duty, requires Directors to *act honestly, in good faith and in the best interests of the society*. In the context of a government-mandated society, there is a need to balance achievement of the mandate with a consideration of other key stakeholders. The second duty is called the duty of care, which requires Directors to *exercise the care, diligence and skill that a reasonably prudent investor would exercise in making investments in light of the purposes and distribution requirements of FESBC*. A sound governance scheme ensures that Directors are able to meet the standards required under the duty of care.

The Board delegates the day-to-day operational responsibilities of the FESBC to the ED. Directors serve part time and the Board's role is one of governance and oversight of FESBC which they must meet and fulfill through due diligence.

The Board's overall governance role involves a wide range of responsibilities, including approving FESBC's multi-year Strategic and Service Plans and reviewing them annually, annual operating plans and budgets, monitoring FESBC's performance, ensuring management is qualified, reviewing FESBC's material risks and overseeing a succession planning process to ensure continued leadership.

The Board is committed to conducting business in a legal and ethical manner.

### 2.2 Background

The Constitution of FESBC sets out that its purposes are:

- a) To advance the environment and resource stewardship of British Columbia's forests by:
  - i. Preventing and mitigating the impact of wildfires;
  - ii. Improving damaged or low value forests;



- iii. Improving habitat for wildlife;
  - iv. Supporting the use of fibre from damaged and low value forests; and
  - v. Treating forests to improve the management of greenhouse gases.
- b) To advocate for the environmental and resource stewardship of British Columbia’s forests; and
- c) To do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Society.

The Ministry Transmittal Letters and BC Government Mandate Letters establish the conditions of the initial and subsequent grants provided to the Society by the BC Government as well as the mandate laying out the principles expected in meeting the commitments outlined. The Mandate Letters establish the expectations of FESBC as a Government Reporting Entity with the primary accountability to the Government.

The administration and operations of the FESBC are to be consistent with the spirit and intent of good governance practices in the broader public sector of British Columbia, particularly with regards to transparency and accountability towards all stakeholders.

CABRO also provides oversight of Crown governance and corporate accountability, including overseeing the delivery of mandate letters, service plans and annual service plan reports for ABCs. CABRO staff establish best practices and provide advice and recommendations for improvements to governance, accountability and performance planning by public sector organizations.

### 3. KEY TERMS

**Board of Directors:**

The governing body of the FESBC is the Board of Directors.

**Ministry:**

The Province of British Columbia’s Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD), or any of its successors.

**Annual General Meeting (AGM):**

Gathering of the Directors, members and stakeholders of the Society, required by law to be held each calendar year. Generally, not more than 15 months are allowed to elapse between two AGMs. The main purpose of an AGM is to comply with legal requirements, such as the presentation and approval of the audited accounts, election of directors, and appointment of auditors for the new accounting term. Other items that may also be discussed include compensation of staff and issues raised by the stakeholders.

**Chair of the Board:**

Highest ranking officer in the FESBC’s Board of Directors who presides over the Board's meetings.

**Executive Director:**

The highest-ranking full-time staff member of FESBC - reports directly to the Board of Directors. The standard of care required of the Executive Director is higher than that required from other FESBC staff members.

**FESBC Constitution and Bylaws:**

Formal document (instrument) that creates a legal entity, exemption, immunity, privilege, or right. The Constitution and Bylaws defines or mandates the function(s) and lays down rules for its conduct or governance of the Society. (See [Appendix A](#))

**Board Committee:**

Individual or a group appointed by the FESBC Board to whom a matter is referred, or is committed for attention, investigation, analysis, or resolution. A Committee has no power per se, except the power(s) assigned to it by its appointer.

**Committee Chair:**

Individual selected to provide leadership for Committee activities in support of the FESBC by representing its members and their needs and concerns and communicating with the members.

**Stewardship Leader:**

Individual who through a combination of experience, education and service has demonstrated understanding of, and leadership in, environmental and resource stewardship of British Columbia’s forests and has been chosen to provide guidance and support to FESBC in achieving its purposes by representing and advocating for the Society and the province’s forests. Stewardship Leaders are people who have been employed at a senior level in forestry, been elected in rural local government, served in First Nations government in B.C. or taught post-secondary forest stewardship in B.C. They must understand and be leaders in environmental and resource stewardship.

## 4. STRUCTURE

Please refer to the Constitution and Bylaws in [Appendix A](#) for a description of the composition and terms for members and officers of FESBC.

## 5. BOARD COMMITTEES

The Board has established the following standing Committees to assist it with its work:

- a) Finance (Chair is deemed to also be Treasurer);

- b) Governance (Chair is deemed to also be Corporate Secretary); and

The Board has established 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.

## 6. BOARD CHARTER

### 6.1 Role

The Board oversees the conduct of FESBC's business, supervises management and endeavors to ensure that all major issues affecting the business and affairs of FESBC are given proper consideration. In performing its functions, the Board also considers the legitimate interests held by stakeholders.

The Board delegates responsibility for the day-to-day operations of FESBC to the ED. Directors serve part-time and the Board's role is one of governance and oversight of FESBC. In addition, the Director's may also serve as a representative of FESBC when engaging with government, First Nations, stakeholders and certain other parties.

### 6.2 Responsibilities

The key responsibilities of the Board are set out below. The ED and the Board Committees provide in-depth concentration in key areas of Board responsibility to support the Board's work.

## 7. STRATEGIC OVERVIEW

The Board:

- a) Reviews and approves FESBC's Service Plan, strategic vision, mission and values;
- b) Prepares, approves, and provides to stakeholders the multi-year Service Plan, strategic plan and annual operating plans and budgets which outline (among other items) FESBC's strategic direction, goals, performance measures, targets, financial outlook and risks;
- c) Approves FESBC's financial forecasts of expected revenues and expenditures;
- d) Monitors, on a regular basis, performance against strategic, business and financial plans with a focus on key risks and strategies; and
- e) Provides its updated long-term Service and strategic plans and annual operating plans annually to stakeholders.

## 8. FINANCIAL INFORMATION AND SYSTEMS

The Board:

- a) Verifies through the Finance and Audit Committee that management has established and is applying appropriate audit, accounting and financial reporting principles, as verified by third-party financial auditor;
- b) Verifies through the Finance and Audit Committee that internal financial, business control and information systems are in place and functioning satisfactorily; and
- c) Reviews and approves the quarterly reports and the annual audited financial statements as recommended by the Finance and Audit Committee.

## 9. RISK MANAGEMENT

The Board:

- a) With the advice of management, identifies and understands FESBC's key risks;
- b) Ensures, through regular reviews and assessments, that management has established appropriate systems to manage these risks; and
- c) Receives regular reports on the management of material risks to FESBC.

## 10. MONITORING AND REPORTING

The Board:

- a) Directs the ED to develop, implement and maintain a reporting system that accurately measures FESBC's performance against the performance expectations set out in its Service, strategic and business plans;
- b) Monitors FESBC's progress towards the objectives set out in the Service, strategic and business plans, and revises and alters its direction through management, in light of changing circumstances; and
- c) Ensures periodic reports are provided to the provincial government as needed.

## 11. HUMAN RESOURCES

The Board:

- a) Oversees the ED's performance;
- b) Provides advice and counsel to the ED in the execution of the ED's duties; and
- c) Ensures plans are in place to ensure ongoing management leadership for FESBC, including a plan that would respond to an unplanned situation should the ED be unable to perform his or her services.

## 12. CODE OF CONDUCT AND BUSINESS ETHICS

The Board:

- a) Approves, and monitors through management, compliance with all significant policies, Bylaws and procedures that govern FESBC's operations; and
- b) Directs the ED to ensure that FESBC operates at all times within applicable laws and regulations, and to the highest ethical and moral standards, including confidentiality obligations set out in [Section 5 – Code of Conduct and Conflict of Interest Guidelines](#).

## 13. COMMUNICATIONS

The Board:

- a) Ensures FESBC has a plan in place to communicate effectively with the provincial government and key stakeholders;
- b) Ensures financial results are reported fairly and in accordance with generally accepted and appropriate accounting standards; and
- c) Reports annually on the FESBC's accomplishments for the preceding fiscal year.

## 14. COMPLIANCE / LEGAL OBLIGATIONS

Public sector boards operate within a complex legal framework. In addition to the legislation under which they are established, public sector organizations are subject to many legislative requirements that do not apply in the private sector. These may include provisions contained in the following Provincial statutes:

- Auditor General Act;
- Budget Transparency and Accountability Act;
- Financial Administration Act;
- Financial Disclosure Act;
- Financial Information Act;
- Multiculturalism Act;
- Ombudsman Act;
- Public Sector Employers Act; and
- Freedom of Information and Protection of Privacy Act.

The Board ensures FESBC's legal and contractual requirements are met and documents and records are properly prepared, approved and maintained.

In addition, Directors have personal liability under taxation law for unpaid government levies and source deductions and liability for unpaid wages and commissions.

## 15. 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 long-term Board composition and preparing a Board skills matrix as required;
- d) Providing orientation and professional development sessions for Directors;
- e) Examining the effectiveness of the Board, its Committees, the Board Chair and individual Directors through annual self-assessment reviews; and
- f) Retaining and interacting with external professional services firms, consultants and advisors as needed to fulfil this mandate.

## 16. RELIANCE ON MANAGEMENT AND ADVISORS

In carrying out its responsibilities, the Board:

- a) Relies on FESBC’s ED to provide it with accurate and fulsome information; and
- b) Where appropriate, is entitled to retain and rely on external professional service firms, consultants and advisors as needed to fulfill its mandate.

## 17. POWERS - INVESTMENTS

The Board may invest the Society’s property in property or securities in which a prudent investor would invest. The Director’s standard of care is to exercise the care, skill, diligence and judgement that a prudent investor would exercise in light of the Society’s requirements. Directors can get investment advice and can delegate to investment counsel as a prudent investor would do.

The Board has the power to make expenditures including grants, gifts and loans, and to enter into contracts or trust arrangements, in furtherance of the purpose of the Society.

## SECTION 2 – ROLES AND RESPONSIBILITIES

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### 18. BOARD CHAIR POSITION DESCRIPTION

The following describes the appointment, role and responsibilities of the Board Chair.

#### 18.1 Appointment

The Directors elect the Board Chair annually.

#### 18.2 Role

The principal role of the Board Chair is to provide leadership to the Board. The Board Chair is accountable to the Board, acts as a direct liaison between the Board and management, and acts as a spokesperson for Board decisions, where appropriate.

#### 18.3 Responsibilities

Working with Management, the Board Chair:

- a) Acts as a liaison and primary point of contact between management and the Board;
- b) Fosters a constructive relationship between the Board and management through regular contact with the ED;
- c) Acts as a sounding board, counsellor, and confidant for the ED;
- d) Ensures the ED is aware of concerns of the Board and stakeholders and supports the ED in effectively managing issues; and
- e) Seeks to ensure that management presents to the Board all information necessary to allow the Board to effectively discharge its responsibilities.

#### 18.4 Board Operations

- a) Recommends an annual schedule of Board meetings;
- b) In concert with the ED develops and sets the Board meeting agendas;
- c) Calls meetings of the Board;
- d) Presides over Board meetings;
- 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) Conducts Board meetings in an efficient, effective and focused manner;
- g) Ensures proper minutes are recorded and presented to subsequent meetings;
- h) Recommends to the Board the Chairs for each Committee;
- i) When not a member of a certain Committee, may nonetheless attend that Committee's meetings as a non-member;

- j) Develops for approval by the Board and monitors expenditures of the Board;
- k) Oversees issues raised with respect to conflicts of interest; and
- l) Signs documents on behalf of the Board as authorized to do so by the Board.

### 18.5 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) At meetings, encourages participation of all Directors and promotes a spirit of collegiality where robust questioning and discussion is encouraged by all Directors;
- f) Builds consensus and develops teamwork within the Board;
- g) Fosters ethical and responsible decision making by the Board and its members;
- h) Ensures that each Director is contributing to the Board's work;
- i) Makes himself or herself available to individual Directors for questions, counsel and discussions relating to FESBC;
- j) Provides new Board members with information on the Board's key issues as part of the Director orientation program;
- k) Keeps the Board up-to-date on all significant developments of FESBC, both at and between meetings;
- l) In consultation with the Governance Committee, leads and/or participates in the Board and Director evaluation process; and
- m) Ensures a succession plan is in place for departing Board members.

### 18.6 Government Relations, External Relations and Appointments

- a) Acts as the principal interface between the Board and the Ministry of Forests, Lands, Natural Resource Operations and Rural Development Executive;
- b) Liaises with the stakeholders as is appropriate; and
- c) Assumes those appointments on external bodies that are typically assumed by reason of his/her position as Board Chair.



## 18.7 Absence of Chair/Vice Chair

In the absence or incapacity of the Board Chair, or if the Board Chair position is vacant, the Board may elect a Director to serve as Vice Chair on an interim basis. The Vice Chair will serve as acting Board Chair and while so acting will have all of the powers and duties of the Board Chair.

## 19. INDIVIDUAL DIRECTOR POSITION DESCRIPTION

### 19.1 Introduction

The Board has developed this position description for Directors to set out how the Board expects members to go about discharging their duties and responsibilities as Directors of FESBC. This position description will be used in assessing the performance of Directors. The role and responsibilities of the Board as a whole are set out in Section 1 of this manual.

### 19.2 Standards of Conduct

In discharging his or her responsibilities, each Director will:

- a) Act honestly and in good faith with a view to the best interests of FESBC; and
- b) Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Directors of public sector organizations are expected to demonstrate high standards of personal and professional conduct to maintain public confidence in their actions and their organizations. These standards include the need to avoid real or perceived conflicts of interest.

In January 2005, the Board Resourcing Office (now CABRO) published *The Standards of Ethical Conduct for Public Sector Organizations*, which outlines ethical conduct principles for directors. FESBC has developed a code of conduct and ethics that fits its own mandate and institutional culture while complying at the same time with the minimum standards established by the Board Resourcing Office.

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

- a) Comply with the *BC Societies Act*, regulations made under the *Act*, the Bylaws and Constitution of FESBC;
- b) Comply with Board policies, including the Code of Conduct and Conflict of Interest Guidelines ([Section 5](#));
- c) 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 and Conflict of Interest Guidelines in order to protect the integrity of FESBC; and

- d) Keep confidential information confidential, including all information associated with *in-camera* meetings.

### 19.3 Relationship with Management

Each Director shall be available as a resource to the ED.

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

### 19.4 Public Statements

The ED is the primary spokesperson for FESBC 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 FESBC, no Director should speak on behalf of FESBC (e.g., to government or the media) in his or her capacity as an individual Director.

### 19.5 Community Engagement

Directors are expected to engage with FESBC's Stakeholders and to act in accordance with FESBC's Communications Policy.

Directors will participate in, and act as official representatives of FESBC at, certain events organized by the Board or FESBC (such as Board-hosted receptions and industry events).

Directors are valuable ambassadors of FESBC who are well positioned to establish and foster strong relationships through dialogue with stakeholders. Each Director is expected to listen to stakeholders and to share with them FESBC's unique mandate, mission and values.

Directors are free to attend political events as valuable ambassadors of FESBC.

### 19.6 Information Requirements

Directors should devote the necessary time and attention to be able to make informed decisions on issues that come before the Board. While the ED 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 directed through the Board Chair.

Directors are expected to be knowledgeable about FESBC's mandate, goals and objectives, and to a lesser extent, operations.

### 19.7 Board Activity

During meetings, a Director is expected to:

- a) Be prepared and well-informed on relevant issues (through pre-read materials or otherwise);
- b) Bring his or her own experience, wisdom, judgement and influence to bear constructively on issues;

- c) Interact with fellow Directors and management in a respectful and constructive manner;
- d) Speak and act independently while remaining a team player;
- e) Express opinions in a clear and respectful manner;
- f) Express points of view for the Board’s consideration even if they may seem contrary to other opinions previously expressed;
- g) Ask probing questions when appropriate;
- h) Listen to, and exercise tolerance for, others’ perspectives;
- i) Be adaptable, flexible and open-minded in the consideration and implementation of change;
- j) Exercise a logical, rational approach to problem solving;
- k) Analyze issues from many perspectives, considering the impact of decisions on FESBC’s internal and external environments;
- l) Be innovative and resourceful in developing solutions;
- m) Whenever possible, advise the Board Chair and ED in advance of introducing significant and previously unknown information;
- n) Focus inquiries on issues related to strategy, policy, implementation and results rather than issues relating to day-to-day management by the ED; and
- o) Once Board decisions are made, support those decisions in a positive manner.

Between meetings, each Director should be available as a resource to the Board and the ED and, as necessary and appropriate, communicate with the Board Chair and ED.

In carrying out his or her responsibilities, each Director is expected to be actively engaged in and add value to the Board’s work. Those Directors who have particular areas of expertise are expected to use their unique skills and experience to the benefit of the Board, for example, by contributing to discussions on topics within their area of expertise.

### 19.8 Attendance

Directors are expected to maintain an excellent Board and Committee meeting attendance record.

Directors should strive to attend meetings in-person but may participate in a Board meeting or Committee meeting by telephone or other means that permits all participants to hear each other and are not required to be physically present to be counted as part of the quorum.

### 19.9 Compensation

Assistant Deputy Ministers are not remunerated as Directors. The Board sets the remuneration of Stewardship Leaders who are Directors, consistent with direction from Government.

### 19.10 Orientation and Professional Development

Directors are required to participate in FESBC’s Director orientation program and ongoing professional development (for the Board or for an individual Director) as recommended by the Board. Directors are also expected to take any required training and to educate themselves on governance duties and broad issues (e.g., accounting principles and standards and financial compliance practices).

Directors attending a conference or workshop at FESBC’s expense will submit an oral report to the Board at the next Board meeting following the conference or workshop.

### 19.11 Removal

The members may remove a Director by special resolution (75%). Any special resolution will not be effective until accepted and filed with BC Registries.

### 19.12 Resignation

A Director’s resignation is effective on the later of the effective time specified in the written resignation and the time of receipt of the written resignation at FESBC’s office address or to the Chair.

### 19.13 Return of Materials

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

## 20. EXECUTIVE DIRECTOR POSITION DESCRIPTION

### 20.1 Role and Leadership

The ED provides leadership for FESBC and has overall responsibility to the Board for the general management of, and control over, the business and activities of FESBC. The ED does this by leading and managing FESBC through the development and implementation of strategies and policies, the management of its staff and fiscal resources, efficient and effective operations and performing other duties required by the Board.

### 20.2 Accountability

The ED is accountable to and reports to the Board.

### 20.3 Duties and Responsibilities

The ED:

- a) Prepares for Board approval - the multi-year Service Plan, strategic plan, annual operating plans and budgets and performance measures;

- b) Leads and manages FESBC operationally within the objectives set out in the multi-year Service Plan, strategic plan, annual operating plans and budgets, and agreed-upon performance measures;
- c) Provides leadership in the establishment and articulation of FESBC’s mission, vision, values and strategic goal statements;
- d) Ensures that FESBC operates within established policies and priorities by apprising the Board of all matters affecting its responsibilities as set out in provincial statutes and regulations;
- e) Develops and implements operational policies to guide FESBC within the framework of the vision and strategic goals approved by the Board; and
- f) Directs and monitors FESBC’s activities in a manner that ensures its assets are safeguarded and optimized.

#### 20.4 Strategic Organizational Leadership

Provides leadership in developing the multi-year Service Plan, strategic plan and annual operating plans and budgets through a consultative process with the Board.

#### 20.5 Board

- a) Supports the Board Chair, all Committee Chairs and the Board in carrying out the Board’s governance responsibilities, including the timely provision of relevant information; and
- b) Provides the Directors, at Board and Committee meetings, with exposure to FESBC’s key management staff and, prior to appointing individuals to new management positions, reviews their appointment with the Board.

#### 20.6 Budget

- a) Prepares and submits to the Board an annual operating and administration office budget and the anticipated capital budget as derived from the annual operating plan; and
- b) Seeks Board approval for the levels of authority on expenditures charged against the annual budgets, capital plans and other actions or transactions falling outside of those approved by the Board.

#### 20.7 Financial and Risk Management

- a) Ensures the integrity of FESBC’s internal control and management systems;
- b) Implements changes or refinements to internal controls as may be identified and recommended in the Society’s annual financial audit; and
- c) Identifies and reports to the Board on the principal risks of FESBC and ensures the implementation of effective systems to manage those risks.

## 20.8 Human Resources

- a) Develops and implements a Board approved organizational structure that is appropriate for the effective and efficient operation of FESBC; and
- b) Annually establishes and maintains a Board approved plan for management development and succession, including ED succession planning.

## 20.9 External Relations

If appropriate:

- a) Acts as the primary spokesperson for FESBC and oversees its interfaces with stakeholders;
- b) With the Board develops a communications protocol to support FESBC's strategic objectives; and
- c) Maintains effective relationships in dealings with all stakeholders.

## 20.10 Outside Commitments

Obtains Board approval prior to accepting public service commitments and/or outside board appointments.

## 20.11 Compensation

The Board determines the ED's remuneration.

# 21. CORPORATE SECRETARY POSITION DESCRIPTION

## 21.1 Appointment

The Corporate Secretary is accountable to the Board and also reports to the Board Chair.

## 21.2 Duties and Responsibilities

The Corporate Secretary (Governance Chair) is responsible for making the necessary arrangements for:

- a) The issuance of notices of meetings of the Society and the Board;
- b) The keeping of minutes of all meetings of the Society of the Board;
- c) The custody of all records and documents of the Society, except those required to be kept by the Treasurer;
- d) The maintenance of the register of members; and
- e) The conduct of the correspondence of the Society.

## 22. TREASURER POSITION DESCRIPTION

### 22.1 Appointment

The Treasurer (Finance Chair) works with the Executive Director, reports to the Board Chair and is accountable to the Board.

### 22.2 Duties and Responsibilities

The Treasurer will be responsible for making the necessary arrangements for:

- a) The keeping of such financial records, reports and returns, including books of account, as are necessary to comply with the *BC Societies Act* and the *Income Tax Act* and satisfy financial reporting requirements of the Province;
- b) May provide oversight of financial statements to the Executive Director, Directors, members and others; and
- c) For maintaining ongoing liaison with financial auditors during their review process.

## 23. COMMITTEE OPERATING GUIDELINES

### 23.1 Introduction

The Board has the power to appoint the committees it considers necessary and advisable.

Current committees of the Board are:

- a) Finance and Audit; and
- b) Governance.

The Board may from time to time establish task forces, advisory committees or other temporary working groups to address time limited projects.

The Terms of Reference for each committee is set out separately. The provisions below set out the operating guidelines applicable to all committees.

### 23.2 Purpose

The purpose of the committees is to provide in-depth concentration in key areas of Board responsibility and to help the Board carry out its work.

### 23.3 Mandate

Each committee consists of at least one individual, the Chair of the committee. The committees will perform the tasks assigned to them by the Board and only have the authority and power as delegated by the Board. Each Committee Chair will perform the work assigned to him/her by the Board and make recommendations to the Board, as it deems appropriate, for decisions to be made by the Board.

### 23.4 Accountability

Each committee is accountable to the Board.

The Board may, on such terms as it sees fit, delegate any but not all of their powers to one or more committees.

The committees have no authority to direct management, speak for, or commit FESBC unless specifically authorized by the Board.

### 23.5 Composition

Committee Chairs are appointed by the Board on the recommendation of the Board Chair. The Committee Chair may be removed or replaced at any time by the Board and will cease to be a committee member upon ceasing to be a Director of FESBC.

Any Director of FESBC may attend any committee meeting.

### 23.6 Meetings

The Committee Chair will determine the frequency of committee meetings. Meetings will be scheduled in conjunction with Board meetings where possible.

Subject to a resolution of the Board stipulating otherwise in respect of a particular issue, a quorum for the transaction of business at a committee meeting will be the Chair of such committee.

### 23.7 Recommendations

Each committee will make periodic recommendations to the Board in respect of the subject on which it was created to advise. The Board will take into consideration, but will not be bound by, committee recommendations.

### 23.8 Staff Support

The ED will support the committees as appropriate towards the establishment of meeting agendas and preparation of meeting materials.

### 23.9 Minutes

The meeting record will be maintained by the Corporate Secretary and committee minutes, once approved by the committee, will be provided to the Board Chair and Directors.

### 23.10 Reporting

Each committee reports to the Board by distributing the committee's minutes (if they have been formally recorded) in advance of the next Board meeting. In addition, at the next Board meeting, the Committee Chair will provide an oral report that summarizes what the committee has been working on since it last reported to the Board, what the committee is bringing to the Board for discussion or approval, and what is upcoming on the committee's agenda.



### 23.11 Invitees

A committee may invite other Directors or, in consultation with the ED, employees of FESBC as may be considered desirable to attend meetings and assist in the discussion and consideration of the business of the committee.

Each Committee Chair will advise the ED when the committee wishes to use FESBC staff as committee support. It will be the responsibility of the ED to designate staff for the committee's assistance.

## 24. FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE

### 24.1 Introduction

Primary responsibility for the financial reporting, accounting systems, risk management, management plans and budgets, internal controls and treasury of FESBC is vested in management and overseen by the Board of Directors.

The purpose of the Finance and Audit Committee is to assist the Board of Directors in fulfilling its obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls, risk management, and when appropriate, make recommendations to the full Board of Directors for approval.

### 24.2 Composition

The committee will be composed of at least one Director, the Chair of the committee.

### 24.3 Chair of the Committee

The Chair should be financially literate.<sup>1</sup>

### 24.4 Responsibilities

Subject to the roles and responsibilities of the Board, the committee will perform the following duties.

### 24.5 Financial Planning

The committee reviews and makes recommendations to the Board in respect of:

a) Financial plans forwarded to the Board for approval, including:

- FESBC financial plans;
- Annual operating & capital budgets;
- Annual Service Plans & other financial plans required by the Province; and
- Financial Forecast Updates submitted to Treasury Board.

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<sup>1</sup> In this context, "financially literate" means that the Director has the ability to read and understand a set of financial statements which present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by such financial statements.

- b) The appropriateness and validity of any material assumptions and estimates used in the preparation of such plans;
- c) Corporate financial plans involving major capital or revenue generating initiatives;
- d) Spending level authority for operating and capital expenditures;
- e) The appointment of the External Auditor; and
- f) The Investment Policy.

#### 24.6 Financial Reporting

Subject to the roles and responsibilities of the Board, the Finance and Audit Committee:

- a) Reviews financial reports and related information of FESBC to ensure that they are in accordance with generally accepted and appropriate accounting standards and that any material deviation from budget, or any material indication that actual results will fail to meet budget expectations, are reported to the Board Chair and addressed by the ED;
- b) Recommends the financial reports (including the quarterly reports with year-to-date financial information, forecasts and projections) for approval or disapproval to the Board of Directors, providing an explanation if they are not recommendation for approval;
- c) The reviews will include determining whether appropriate accounting methods are being applied and discussing with the ED and External Auditor:
  - i. All proposed changes in accounting policy;
  - ii. The import and presentation of all large risks or uncertainties;
  - iii. Compliance with accounting standards;
  - iv. Significant adjustments arising out of the audit process and related party transactions; and
  - v. All estimates or judgments of management that may be material to financial reporting.
- d) Questions management and the External Auditor regarding significant financial reporting, recording or presentation issues discussed during the fiscal period and the manner of their resolution; and
- e) Examines the audited annual financial statements in conjunction with the report of the External Auditor, which may include determining whether the statements:
  - i. Properly reflect the significant accounting policies selected;
  - ii. Reflect estimates and other financial statement elements that are reasonable and consistent;
  - iii. Adequately disclose all major transactions and issues;
  - iv. Disclose all post year-end significant events; and
  - v. Are understandable, relevant, reliable and comparable.

## 24.7 External Audit

The Committee oversees the external audit process and makes recommendations to the Board, including:

- a) Determining whether the performance of the external audit is satisfactory, effective and meets the requirements of FESBC and the Province with respect to the appointment and review of results;
- b) Reviewing the terms of the External Auditor's engagement and the appropriateness and reasonableness of the proposed audit fees;
- c) Determining whether management has provided full and open disclosure to the External Auditor's inquiries;
- d) Reviewing problems experienced by the External Auditor in performing the audit, including any restriction imposed by management and all significant accounting issues on which there was a disagreement with management; and
- e) Reviewing the post-audit opinion or management letter containing the recommendations of the External Auditor and reviews management's response and subsequent follow up to any significant identified weaknesses.

## 24.8 Accounting System and Internal Controls

The Committee:

- a) Through discussions with management and the External Auditor, obtains reasonable assurance that FESBC's accounting systems are reliable and internal controls are adequate and, for this purpose, the Committee may wish to direct the External Auditor's examinations to particular areas; and
- b) Reviews the evaluation of internal controls by the External Auditor, including any recommendations for improvement of FESBC's accounting procedures and internal controls, together with management's response.

## 24.9 Risk Management

The Committee supports the Board with respect to risk management, and:

- a) Understands the material risks to FESBC;
- b) Reviews management's systems to manage these risks;
- c) Receives regular reports on the management of material risks to FESBC;
- d) Reviews insurance coverage of material business risks and uncertainties, to the extent not covered by the applicable government policy, and annually approves FESBC's insurance coverage for such items that are not covered by the applicable government policy; and
- e) Leads an annual review with the Board on the FESBC's material risks and management's systems to eliminate or manage such risks.

## 24.10 Other Responsibilities

The Committee:

- a) Before the Board’s disclosure to the stakeholders, the committee reviews any formal financial reports on the condition or results of FESBC and ensures that financial reports conform with reporting expectations of funders;
- b) Reviews the annual expenses of the Board Chair and individual Directors;
- c) Confirms that appropriate policies and procedures are in-place for monitoring compliance with applicable laws and ascertain their adequacy and the levels of compliance;
- d) Keeps current on emerging best practices in corporate governance relevant to the mandate of the Committee and, as required, recommends changes to the governance framework for audit and finance functions to the Governance Committee;
- e) Reviews the annual expenses of the ED; and
- f) Reviews such other matters that the Board of Directors deems advisable or timely.

## 24.11 Responsibility for Policy Review

The Committee has responsibility to review at least every two years, and more frequently if necessary (e.g., based on legislative changes or financial accounting or controls best practices), relevant Board and Board-Approved FESBC Finance and Audit Policies.

# 25. GOVERNANCE COMMITTEE TERMS OF REFERENCE

## 25.1 Composition

The committee will be composed of at least one Director, the Chair of the committee, who should be familiar with good practices in governance.

## 25.2 Duties and Responsibilities

Subject to the powers and duties of the Board, the committee will perform the following duties:

### 25.3 Corporate Governance

- a) At least annually, the committee will review the governance framework for FESBC and advise the Board regarding:
  - i. Areas of concern;
  - ii. Best practices; and
  - iii. Recommended changes.
- b) Ensures appropriate structures and procedures are in-place to allow the Board to function effectively;
- c) Annually reviews the composition of the Board as a whole and recommends, if necessary, changes to the Board skills matrix;

- d) As vacancies arise, assists the Board in reviewing the skills and experience required on the Board, identifies any gaps that should be filled in new Director candidates and articulates priority criteria;
- e) Ensures programs are in-place for new Director orientation and ongoing Director professional development;
- f) Assists and supports the annual review processes for evaluating the effectiveness of the Board, committees and Directors;
- g) Periodically reviews and assesses FESBC’s communication to stakeholders and the general public with respect to its policies and practices in the areas of corporate governance, including the communication contained on FESBC’s external websites;
- h) Evaluates incumbent Directors whose terms are expiring and considers their qualifications to stand for re-appointment;
- i) Annually reviews and ensures the adequacy of FESBC’s Code of Conduct and Conflict of Interest Guidelines;
- j) Annually obtains annual Acknowledgement and Declarations in regard to the Code of Conduct and Conflict of Interest Guidelines from Directors and management;
- k) Ensures that FESBC has a procedure in place to address issues raised by employees or other parties concerning alleged breaches of the Code of Conduct, including alleged irregularities in respect of accounting, financial reporting or internal control matters;
- l) Addresses Code of Conduct and Conflict of Interest Guideline issues as delegated to the Committee by the Board; and
- m) Assumes other related responsibilities as assigned to the committee by the Board.

#### 25.4 Responsibility for Policy Review

The committee has responsibility to review at least every two years, and more frequently if necessary (e.g., based on legislative changes, or a development in governance best practices), the Board Manual, including:

- a) Governance Structure;
- b) Board Chair Position Description;
- c) Individual Board Member Position Description;
- d) Committee Operating Guidelines;
- e) Governance Committee Terms of Reference;
- f) Board Meeting Guidelines;
- g) Strategic Planning;
- h) Board Composition and Succession Planning;
- i) Orientation and Professional Development;
- j) Board Evaluation; and
- k) Code of Conduct and Conflict of Interest Guidelines.

## SECTION 3 – BOARD ORGANIZATION AND OVERSIGHT

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### 26. STRATEGIC PLANNING

#### 26.1 Roles and Responsibilities

The FESBC Board, together with the ED, ensures the development and oversight of the multi-year Service Plan and strategic plan which guides the development of subsequent annual operating plans and budgets of FESBC. These planning documents are subject to annual review and approval by the Board.

The ED and the Board are jointly responsible for the development of the Service Plan and strategic plan.

The Board's role includes ensuring there is an appropriate planning process in place and to review, question, offer advice, validate and ultimately endorse the plans for FESBC and monitor their implementation.

At various stages of development, the Board will be briefed on the status of the planning process and may be asked to review draft elements of the plans.

### 27. RISK MANAGEMENT OVERSIGHT

#### 27.1 Introduction

The following describes FESBC's risk management principles applicable to all types of risk in all activities undertaken by or on behalf of FESBC. It also outlines the risk management roles and responsibilities for the ED, the Board and the Finance and Audit Committee.

FESBC 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 materially adversely affect the achievement of FESBC's strategic or major business objectives.

Risk management applies to and will inform all of FESBC's activities including developing strategic plans, preparing operational plans and budgets, and in all decision-making processes.

#### 27.2 Duties and Responsibilities

The duties and responsibilities in the risk management process are shared among the ED, the Board and the Finance and Audit Committee Chair. Primary responsibility for FESBC's risk management is vested in the ED and overseen by the Board of Directors.

a) Executive Director

The ED 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.

b) Board

The Board:

- i. Understands the key risks of FESBC's operations;
- ii. Ensures, through regular reviews and assessments, that the ED has established appropriate systems to manage these risks; and
- iii. Receives regular reports on the management of material risks to FESBC.

In particular, the Board reviews with the ED the policies and procedures that are in-place to identify, manage and monitor material risks which may include the following:

- i. Human – (i.e. illness, death, injury, or other loss of key individuals);
- ii. Operational – (i.e. disruption to operations, loss of access to essential assets);
- iii. Reputational – (i.e. loss of government or other stakeholder confidence, damage to reputation);
- iv. Procedural – (i.e. failures of accountability, internal systems and controls, fraud);
- v. Financial – (i.e. interest rates and investments, non-availability of funding from the provincial government);
- vi. Technical – (i.e. advances in technology, technical failure);
- vii. Natural – (i.e. weather, natural disasters, disease);
- viii. Political – (i.e. changes in government, tax, public opinion, policy);
- ix. Structural – (i.e. situation where staff or technology can be harmed); and
- x. Other risk issues of concern to the Board and management.

Under all circumstances, safety and personal security will be paramount.

c) Finance and Audit Committee

The Finance and Audit Committee supports the Board with respect to risk management and provides a leadership role in ensuring that other Board Committees oversee and support the Board with respect to risks in each Committee's areas of expertise. In addition to coordinating other Committees' risk oversight responsibilities, the Finance and Audit Committee:

- i. Provides leadership to the Board’s overall approach to risk management oversight;
- ii. Understands the material risks;
- iii. Reviews management’s systems to manage these risks;
- iv. Receives regular reports on the management of material risks;
- v. Reviews insurance coverage of material business risks and uncertainties and annually will recommend FESBC’s insurance coverage; and
- vi. Leads an annual review with the Board on FESBC’s material risks and management’s systems to eliminate or manage the risks.

## 28. EXECUTIVE DIRECTOR EVALUATION AND SUCCESSION PLANNING

### 28.1 Introduction

The main objectives of the ED evaluation process are to:

- a) Assess and reward the ED’s past performance and establish the ED’s remuneration;
- b) Set strategic objectives and goals for the ED for the upcoming year; and
- c) Strengthen Board/ED relations.

### 28.2 Performance Benchmarks

The ED has general responsibilities to lead FESBC operations to realize the goals of the Strategic Plan. The ED performance will be benchmarked primarily against the achievement of the Strategic Plan outcomes.

### 28.3 Compensation Review

The Chair of the Board, on the advice of the Board members, determines all matters related to the ED’s remuneration including bonus, if any.

### 28.4 Succession Planning

The purpose of succession planning is to ensure that, as FESBC grows and changes, the right leadership is in place for FESBC to achieve its strategic objectives.

The responsibility for developing the succession plan for the ED is the Board Chair, supported by the Board.



## SECTION 4 – EFFECTIVE BOARD FUNCTIONING

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### 29. BOARD MEETINGS (NON-ANNUAL GENERAL MEETINGS)

#### 29.1 Agenda

The Executive Director, in consultation with the Board Chair, will develop the agenda for each Board meeting.

Under normal circumstances, the agenda and supporting materials will be distributed to Directors sufficiently in advance so Directors can prepare for the meeting. All Directors are free to suggest items for discussion at Board meetings and additions to the agenda.

#### 29.2 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 Executive Director. All material submitted for consideration by the Board become part of the record of the Board and will be deposited with the ED for maintenance, safekeeping and access.

#### 29.3 Board Only Meetings

After regular Board meetings, it is considered best practice for the Board to meet *in-camera* (without any management present).

The purpose of the *in-camera* meeting is to identify or discuss any issues not appropriate for the public venue, such as issues relating to the ED's performance or the Board's relationship with the ED or senior management. The Board Chair shall immediately communicate with the ED any relevant matters raised during the *in-camera* meeting.

#### 29.4 Minutes

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

#### 29.5 Board Deliberations and Confidentiality

The Board recognizes that certain materials for deliberations by the Board should 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. Discussions at Board meetings will be treated as confidential by all participants and will not be disclosed publicly unless the Board decides otherwise.

## 29.6 Non-Directors at Board Meetings

The Board appreciates the value of having management, staff or others attend Board meetings to provide information and opinions to assist the Directors in their deliberations. The Board, through the Board Chair and ED, will determine such attendees.

## 29.7 Attendance

Directors are expected to attend all meetings unless they can't due to unforeseen circumstances, in which case they will report this in advance to the Board Chair.

## 30. DIRECTOR ORIENTATION AND PROFESSIONAL DEVELOPMENT

The Governance Committee Chair, with the assistance of the ED, ensures that there is an orientation program delivered to new Directors.

### 30.1 Goals

The goals of the orientation program are to:

- a) Ensure that each new Director fully understands FESBC's formal governance structure, the role of the Board, its supporting committees, and the expectations in respect of individual performance as set out in the Individual Director Position Description ([Part 19](#));
- b) Help each new Director build an understanding of FESBC, its operations and working environment including:
  - i. Its strategic goals and initiatives;
  - ii. Summary details of its principal assets, liabilities, significant commitments and stakeholders;
  - iii. Its structure;
  - iv. Its major risks and risk management strategy;
  - v. Key performance indicators;
  - vi. Any operational or financial constraints imposed by government or otherwise;
  - vii. The Code of Conduct and Conflict of Interest Guidelines; and
  - viii. On-site visits, as appropriate.
- c) Build an understanding of FESBC's main relationships, including those with Stakeholders.

### 30.2 Written Material

The orientation will include a set of written briefing materials including:

- a) The Board of Directors' Manual;
- b) The FESBC Employee Handbook and Policy Manual;
- c) The Societies Act Incorporation documents providing for the FESBC Constitution and By-Laws;
- d) The FESBC Service Plan;

- e) The FESBC Strategic Plan;
- f) The past year’s FESBC Annual Report;
- g) The current year’s Annual Operating Plan;
- h) The most recent financial and accountability reports;
- i) A summary of Directors’ liability insurance and indemnity;
- j) Minutes from a selection of recent Board meetings;
- k) Ledger of Motions, Resolutions and Board Decisions;
- l) A schedule of dates for upcoming Board meetings;
- m) Details of any major litigation or disputes involving FESBC;
- n) Biographical information and contact information for all Directors and the ED; and
- o) Copies of minutes from a selection of recent Committee meetings for any relevant Committee, as appropriate.

### 30.3 Process for New Directors

Each new Director will be asked to participate in an initial orientation session conducted by the Governance Committee Chair and ED.

An initial orientation session for a new Director will be scheduled immediately after his/her appointment takes effect.

## 31. BOARD, BOARD CHAIR AND COMMITTEE EVALUATION

The Board is committed to Board evaluation designed to provide Directors with an opportunity each year to examine how the Board as a whole, the Board Chair and the Board’s committees are performing and identify opportunities for improvement.

### 31.1 Board Evaluation – Process

The Governance Committee Chair will recommend to the Board the specific evaluation process to be undertaken. The evaluation process will be appropriate to the stage of development of the Board and the Board’s evaluation processes.

The Governance Committee Chair may engage an outside advisor to assist in the design and implementation of the Board evaluation process.

### 31.2 Board Evaluation – Goal

The objective of the Board evaluation process is to assist the Board to:

- a) Assess the overall performance of the Board and measure the contributions made to FESBC by the Board;
- b) Evaluate the mechanisms in place for the Board to operate effectively and make decisions in the best interests of FESBC;
- c) Add value to FESBC; and
- d) Enhance and maintain best corporate governance practices.

### 31.3 Board Evaluation – Areas to be Evaluated

The Board evaluation will be designed to review the effectiveness of the Board. Typical assessments will evaluate the following areas:

- a) Appropriateness of the Board’s composition (the right people with the right backgrounds);
- b) Quality of Board meetings including appropriateness, effectiveness and sufficiency of:
  - i. Topics;
  - ii. Time allocation;
  - iii. Pre-meeting information packages; and
  - iv. Presentations.
- c) Board dynamics, including the quality of the discussion;
- d) Appropriateness and sufficiency of the financial and operational reporting;
- e) Quality of the relationship between the Board and the ED;
- f) Effectiveness of the Board Committees and Board Chair;
- g) FESBC’s practices with respect to business conduct and ethical behaviour;
- h) Director training and education;
- i) Effectiveness of the Board’s processes with respect to strategic planning, risk review, ED evaluation and succession, financial controls; and
- j) Board’s relationship with stakeholders.

### 31.4 Board Chair Evaluation – Goal

The objective of the Board Chair evaluation process is to improve the overall performance of the Board by providing feedback to the Board Chair.

### 31.5 Board Chair Evaluation – Areas to be Evaluated

Board Chair evaluation is based on the expectations of the Board Chair set out in the Board Chair Position Description (Part 20) and will cover such areas as:

- a) Integrity and ethics;
- b) Management of Board meetings;
- c) Management of information flow between the Board and the ED;
- d) Management of the Board’s decision-making process;
- e) Relations with Directors;
- f) Relationship with the ED; and
- g) Relationship with the provincial government.

### 31.6 Committee Evaluation – Goal

The objective of the committee evaluation process is to improve the functioning of the committee and thus contribute to improving the overall performance of the Board.

### 31.7 Committee Evaluation – Areas to be Evaluated

Committee evaluation covers such areas as:

- a) The appropriateness of the committee’s mandate;
- b) The composition of the committee’s membership; and
- c) The contributions of the committee to the Board’s work.

## 32. BOARD SKILLS MATRIX AND SUCCESSION PLANNING

### 32.1 Introduction

The most important factor contributing to Board effectiveness is having Directors with the right combination of skills and experience. It is the Board’s responsibility to ensure, as much as possible, that Directors have the required competencies to effectively carry out their roles and responsibilities and that there is a planned process to ensure orderly succession of Directors.

### 32.2 Board Skills and Experience

Overall, Directors should have the skills and experience to effectively monitor the performance of FESBC and add value and provide support for management in establishing strategy and reviewing risks and opportunities.

The recruitment profile for Directors should be a combination of many factors: personal attributes and traits; specific skills and experience; community standing and experience; and the diversity of viewpoints that are brought to the table.

Outlined below are the recommended personal characteristics and specific competencies that are viewed as being required for the Board.

### 32.3 Recommended Personal Characteristics

Directors should possess the following personal characteristics:

- a) Integrity and accountability;
- b) Demonstrated high ethical standards and integrity in their personal and professional dealings, and willing to act on, and remain accountable for, their boardroom decisions;
- c) Informed judgment;
- d) Ability to provide wise, thoughtful counsel on a broad range of issues;
- e) Financial literacy;
- f) Familiarity with processes for evaluating FESBC’s performance;
- g) Mature confidence;
- h) Value Board and team performance over individual performance;
- i) Respect for others;
- j) High performance standards;
- k) History of achievements that reflect high standards for themselves and others;
- l) No real, perceived or potential conflicts of interest; and
- m) Ability to achieve a consensus.

### 32.4 Board Matrix – Director Skills and Experience

Given the Board’s strategic plan and priorities and the associated challenges and opportunities, the Board should collectively possess the following desired skills and experience, with each Director contributing individually to the Board Matrix through varying combinations of the following domains:

- a) Previous Board experience;
- b) Government natural resource management programs;
- c) Forest industry leadership;
- d) Understanding of technical issues related to FESBC;
- e) Understanding of FESBC’s stakeholders;
- f) First Nations relations;
- g) Strategic planning;
- h) Risk management;
- i) Finance and internal controls; and
- j) Audit experience.

The required competencies are expected to change over time in relation to FESBC’s evolving strategic priorities and actions. The Board Matrix should be reviewed and updated annually.

### 32.5 Stewardship Leader Director Recruitment

In order to provide guidance on the skills and experience required in new Stewardship Leader Director candidates, the Board will:

- a) Consider the optimal Board composition as set out in the Board skills and experience matrix;
- b) Consider the skills, background and experience of existing (and continuing) Directors; and
- c) Identify any gaps (e.g., those qualifications which should be added and/or strengthened on the Board).

The Board will seek to fill vacancies with individuals possessing those skills and experience that are identified as gaps.

### 32.6 Background Information Made Available to Director Candidates

The Board makes available to all potential Director candidates copies of the Board Manual, the FESBC Service and Strategic Plans and the Society Incorporation documents.

### 32.7 Governance Committee

The Governance Committee Chair guides the work of the Board on Board composition and succession.

### 33. DIRECTOR AND OFFICER INDEMNITY LIABILITY INSURANCE

#### 33.1 Indemnity

Subject to certain limitations, Directors and Officers will be indemnified by FESBC in accordance with [Bylaw 11](#) against personal liability resulting from their acts or omissions as a Director and Officer, provided they acted honestly in good faith in the best interests of FESBC.

#### 33.2 Director and Officer Insurance

FESBC will purchase Director and Officer Liability Insurance to cover potential personal liability in an amount sufficient and appropriate for FESBC ([Bylaw 11.2](#)).

## SECTION 5 – CODE OF CONDUCT AND CONFLICT OF INTEREST GUIDELINES

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### 34. STANDARDS OF ETHICAL CONDUCT FOR DIRECTORS OF THE FESBC

The fundamental relationship between a Director and the organization on which the Director serves should be one of trust; essential to trust is a commitment to honesty and integrity. Ethical conduct within this relationship imposes certain obligations.

The purpose of these Guidelines is to set out minimum standards of ethical conduct expected of all FESBC Directors.

#### 34.1 Compliance with the Law

- a) Directors should act at all times in full compliance with all applicable laws.
- b) In his/her relationship with the organization, no Director should commit or condone an unethical or illegal act or instruct another Director, employee, or supplier to do so.
- c) Directors are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, directors are expected to ask for clarification.
- d) Falsifying any record of transactions is unacceptable.
- e) Directors should not only comply fully with the law but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

#### 34.2 Responsibilities of Directors

- a) Directors will regularly attend meetings and adequately prepare for the other duties associated with operation of the Society.
- b) The conduct and language of Directors will be free from any discrimination or harassment prohibited by the Human Rights Code.
- c) The conduct of Directors will reflect a high standard of courtesy and respect.
- d) Act honestly and in good faith with a view to the best interests of FESBC.

#### 34.3 Conflicts of Interest

- a) In general, a conflict of interest exists for Directors who use or have the opportunity to use their position at the organization to benefit themselves, friends or families.
- b) A Director should not use his or her position within the organization to pursue or advance the Director's personal interests, the interests of a related person<sup>1</sup>, the Director's business associate, corporation, union or partnership, or the interests of a person to whom the Director owes an obligation.
- c) A Director should not directly or indirectly benefit from a transaction with the organization over which a Director can influence decisions made by the organization.
- d) A Director should not take personal advantage of an opportunity available to the organization unless the organization has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the public.

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<sup>1</sup> "related" person means a spouse, child, parent or sibling of a director



- e) A Director should not use his or her position with the organization to solicit clients for the Director's business, or a business operated by a close friend, family, business associate, corporation, union or partnership of the Director, or a person to whom the Director owes an obligation.
- f) Every Director should avoid any situation in which there is, or may appear to be, potential conflict<sup>2</sup> which could appear<sup>3</sup> to interfere with the Director's judgment in making decisions in the organization's best interest.
- g) There are several situations that could give rise to a conflict of interest. The most common are accepting gifts, favours or kickbacks from suppliers, close or family relationships with outside suppliers, passing confidential information to competitors or other interested parties or using privileged information inappropriately. The following are examples of the types of conduct and situations that can lead to a conflict of interest:
  - i. Influencing the organization to lease equipment from a business owned by the Director's spouse;
  - ii. Influencing the organization to allocate funds to an institution where the Director or his or her relative works or is involved;
  - iii. Participating in a decision by the organization to hire or promote a relative of the Director;
  - iv. Influencing the organization to make all its travel arrangements through a travel agency owned by a relative of the Director;
  - v. Influencing or participating in a decision of the organization that will directly or indirectly result in the Director's own financial gain; and
  - vi. A Director should fully disclose all circumstances that could conceivably be construed as a conflict of interest.

### 34.4 Disclosure

- a) Full disclosure enables Directors to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.
- b) A Director should, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict (preferably in writing) to the Board Chair. This requirement exists even if the Director does not become aware of the conflict until after a transaction is complete.

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<sup>2</sup> "conflict" means a conflict of interest or apparent conflict of interest

<sup>3</sup> "apparent" conflict of interest means any situation where it would appear to a reasonable person that the director is in a conflict of interest situation.

- c) If a Director is in doubt whether a situation involves a conflict, the director should immediately seek the advice of the Board Chair. If appropriate, the board may wish to seek advice from the organization’s ethics advisor or legal advice.
- d) Unless a Director is otherwise directed, a Director should immediately take steps to resolve the conflict or remove the suspicion that it exists.
- e) If a Director is concerned that another director is in a conflict of interest situation, the Director should immediately bring his or her concern to the other Director's attention and request that the conflict be declared. If the other Director refuses to declare the conflict, the Director should immediately bring his or her concern to the attention of the board chair. If there is a concern with the Board Chair, the issue should be referred to the Governance Committee Chair.
- f) A Director should disclose the nature and extent of any conflict at the first meeting of the board after which the facts leading to the conflict have come to that director's attention. After disclosing the conflict, the Director:
  - i. Should not take part in the discussion of the matter or vote on any questions in respect of the matter (although the Director may be counted in the quorum present at the board meeting);
  - ii. If the meeting is open to the public, may remain in the room, but shall not take part in that portion of the meeting during which the matter giving rise to the conflict is under discussion, and shall leave the room prior to any vote on the matter giving rise to the conflict;
  - iii. Should, if the meeting is not open to the public, immediately leave the meeting and not return until all discussion and voting with respect to the matter giving rise to the conflict is completed; and
  - iv. Should not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.

### 34.5 Outside Business Interests

- a) Directors should declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, Directors are required to act in the best interest of the organization.
- b) No Director should hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or Director in an organization in a material relationship with the organization, where by virtue of his or her position in the organization, the Director could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the organization, unless that interest has been fully disclosed in writing to the organization.
- c) A “significant financial interest” in this context is any interest substantial enough that decisions of the organization could result in a personal gain for the Director.

- d) These restrictions apply equally to interests in companies that may compete with the organization in all of its areas of activity.
- e) Directors who have been selected to the Board because they are a representative of a stakeholder group or region owe the same duties and loyalty to the organization and when their duties conflict with the wishes of the stakeholder or constituent, their primary duty remains to act in the best interests of the organization.

### 34.6 Confidential Information

- a) Confidential information includes proprietary technical, business, financial, legal, or any other information which the organization treats as confidential.
- b) Directors should not, either during or following the termination of an appointment, disclose such information to any outside person unless authorized.
- c) Similarly, Directors should never disclose or use confidential information gained by virtue of their association with the organization for personal gain, or to benefit friends, relatives or associates.
- d) If in doubt about what is considered confidential, a Director should seek guidance from the Board Chair or the ED.

### 34.7 Investment Activity

Directors should not, either directly or through relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any company while having undisclosed confidential information obtained in the course of work at the FESBC which could reasonably affect the value of such securities.

### 34.8 Outside Employment or Association

A Director who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to the FESBC's interests, should discuss the implications of accepting such a position with the Board Chair recognizing that acceptance of such a position might require the Director's resignation from the Board.

### 34.9 Entertainment, Gifts and Favours

- a) It is essential to fair business practices that all those who associate with the FESBC as suppliers, contractors or Directors, have access to the organization on equal terms.
- b) Directors and members of their immediate families should not accept entertainment, gifts or favours that create or appear to create a favoured position for doing business with the organization. Any firm offering such inducement should be asked to cease.
- c) Similarly, no Director should offer or solicit gifts or favours in order to secure preferential treatment for themselves or the organization.
- d) Under no circumstances should Directors offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any Director experiencing or witnessing such an offer should report the incident to the Board Chair immediately.

- e) Gifts and entertainment should only be accepted or offered by a Director in the normal exchanges common to established business relationships for the organization. An exchange of such gifts should create no sense of obligation on the part of the Director.
- f) Inappropriate gifts received by a Director should be returned to the donor.
- g) Full and immediate disclosure to the Board Chair of borderline cases will always be taken as good-faith compliance with these standards.

#### 34.10 Use of FESBC's Property

A Director requires FESBC's approval to use property owned by the organization for personal purposes, or to purchase property from the organization unless the purchase is made through the usual channels also available to the public.

#### 34.11 Responsibility

- a) FESBC should behave, and be perceived, as an ethical organization.
- b) Each Director should adhere to the minimum standards described herein and to the standards set out in all applicable policies, guidelines and legislation.
- c) Integrity, honesty, and trust are essential elements of FESBC's success. Any Director who knows or suspects a breach of FESBC's Code of Conduct and Conflict of Interest Guidelines has a responsibility to report it to the Board Chair.
- d) To demonstrate determination and commitment, each Director is asked to review and declare in writing their compliance with the FESBC's Code of Conduct and Conflict of Interest Guidelines annually.

#### 34.12 Breach

A Director found to have breached his/her duty by violating the minimum standards set out in this document may be liable to censure or a recommendation for dismissal by the Board.

#### 34.13 Where to Seek Clarification

The Board Chair or the Governance Committee Chair are responsible to provide guidance on any item concerning standards of ethical behaviour.

APPENDIX A – FESBC CONSITUTION & BYLAWS



CERTIFIED COPY  
Of a document filed with the  
Province of British Columbia  
Registrar of Companies

*Albert*  
CAROL PREST

**CONSTITUTION**

BC Society • Societies Act

NAME OF SOCIETY: **FOREST ENHANCEMENT SOCIETY OF BC**

Incorporation Number: S0065121  
Business Number: 78345 0125 BC0001  
Filed Date and Time: July 6, 2017 02:07 PM Pacific Time

The name of the Society is FOREST ENHANCEMENT SOCIETY OF BC

The purposes of the Society are:

1. to advance environmental and resource stewardship of British Columbia's forests by:
  - (a) preventing and mitigating the impact of wildfires;
  - (b) improving damaged or low value forests;
  - (c) improving habitat for wildlife;
  - (d) supporting the use of fibre from damaged and low value forests; and
  - (e) treating forests to improve the management of greenhouse gases.
2. to advocate for the environmental and resource stewardship of British Columbia's forests; and
3. to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Society



*SOCIETIES ACT*

**BYLAWS  
OF THE  
FOREST ENHANCEMENT SOCIETY OF BC**

  
CAROL PREST

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**BYLAWS  
OF THE  
FOREST ENHANCEMENT SOCIETY OF BC**

**1. INTERPRETATION**

**1.1 Definitions**

In these Bylaws and the Constitution of the Society, unless the context otherwise requires:

- (a) **“Act”** means the *Societies Act*, S.B.C. 2015, c. 18, as amended from time to time, and includes any successor legislation thereto;
- (b) **“Address of the Society”** means the registered office address of the Society on record from time to time with the Registrar;
- (c) **“Assistant Deputy Minister”** means a Person currently employed as an assistant deputy minister by the Province of British Columbia;
- (d) **“Board”** means the Directors acting as authorized by the Act, the Constitution and these Bylaws in managing or supervising the management of the affairs of the Society and exercising the powers of the Society;
- (e) **“Board Resolution”** means:
  - (1) a resolution passed by a simple majority of the votes cast in respect of the resolution by the Directors entitled to vote on such matter:
    - (A) in person at a duly constituted meeting of the Board,
    - (B) by Electronic Means in accordance with these Bylaws, or
    - (C) by combined total of the votes cast in person and by Electronic Means; or
  - (2) a resolution that has been submitted to all Directors and consented to in writing by two-thirds (2/3) of the Directors who would have been entitled to vote on the resolution at a meeting of the Board,  
and a Board Resolution approved by any of these methods is effective as though passed at a meeting of the Board;
- (f) **“Bylaws”** means the bylaws of the Society as filed with the Registrar;
- (g) **“Chair”** means the Person elected to the office of chair of the Society in accordance with these Bylaws;
- (h) **“Constitution”** means the constitution of the Society as filed with the Registrar;
- (i) **“Directors”** means those Persons who are, or who subsequently become, directors of the Society in accordance with these Bylaws and have not ceased to be directors;

- (j) **“Electronic Means”** means any system or combination of systems, including but not limited to mail, telephonic, electronic, radio, computer or web-based technology or communication facility, that:
- (1) in relation to a meeting or proceeding, permits all participants to communicate with each other or otherwise participate contemporaneously, in a manner comparable, but not necessarily identical, to a meeting where all were present in the same location, and
  - (2) in relation to a vote, permits all eligible voters to cast a vote on the matter for determination in a manner that adequately discloses the intentions of the voters;
- (k) **“General Meeting”** means a meeting of the Members, and includes an annual general meeting and any special or extraordinary general meetings of the Society;
- (l) **“Income Tax Act”** means the *Income Tax Act*, R.S.C. 1985 (5<sup>th</sup> Supp.), c.1 as amended from time to time;
- (m) **“Members”** means those Persons who are, or who subsequently become, members of the Society in accordance with these Bylaws and, in either case, have not ceased to be members;
- (n) **“mutatis mutandis”** means with the necessary changes having been made to ensure that the language makes sense in the context;
- (o) **“Ordinary Resolution”** means:
- (1) a resolution passed by a simple majority of the votes cast in respect of the resolution by those Members entitled to vote:
    - (A) in person at a duly constituted General Meeting, or
    - (B) by Electronic Means in accordance with these Bylaws, or
    - (C) by combined total of the votes cast in person at a General Meeting and the votes cast by Electronic Means; or
  - (2) a resolution that has been submitted to the Members and consented to in writing by at least two-thirds (2/3) of the voting Members,
- and an Ordinary Resolution approved by any one or more of these methods is effective as though passed at a General Meeting of the Society;
- (p) **“Person”** means a natural person;
- (q) **“Registered Address”** of a Member or Director means the address of that Person as recorded in the register of Members or the register of Directors;
- (r) **“Registrar”** means the Registrar of Companies of the Province of British Columbia;

- (s) **“Secretary”** means a Person elected to the office of secretary of the Society in accordance with these Bylaws;
- (t) **“Society”** means the **“Forest Enhancement Society of BC”**;
- (u) **“Special Resolution”** means:
- (1) a resolution, of which the notice required by the Act and these Bylaws has been provided, passed by at least two-thirds (2/3) of the votes cast in respect of the resolution by those Members entitled to vote:
    - (A) in person at a duly constituted General Meeting,
    - (B) by Electronic Means in accordance with these Bylaws, or
    - (C) by combined total of the votes cast in person at a General Meeting and the votes cast by Electronic Means; or
  - (2) a resolution that has been submitted to the Members and consented to in writing by every Member who would have been entitled to vote on the resolution in person at a General Meeting,
- and a Special Resolution approved by any one or more of these methods is effective as though passed at a General Meeting;
- (v) **“Stewardship Leader”** means any Person who:
- (1) has been employed at a senior level in a forestry related business, association or organization;
  - (2) has served as an elected member of local government in a rural community in British Columbia;
  - (3) has served in a First Nations government in British Columbia; or
  - (4) has taught a forest-stewardship related subject at a post-secondary institution in British Columbia; and
- who through a combination of experience, education and service has demonstrated understanding of, and leadership in, environmental and resource stewardship; and
- (w) **“Treasurer”** means a Person elected to the office of treasurer of the Society in accordance with these Bylaws.

## 1.2 **Societies Act Definitions**

Except as otherwise provided, the definitions in the Act on the date these Bylaws become effective apply to these Bylaws and the Constitution.

## 1.3 **Plural and Singular Forms**

In these Bylaws, a word defined in the plural form includes the singular and vice-versa.

## **2. MEMBERSHIP**

### **2.1 Admission to Membership**

Membership in the Society is restricted to:

- (a) those Persons who are Members on the date these Bylaws come into force; and
- (b) those Assistant Deputy Ministers and Stewardship Leaders whose application for admission as a Member has been accepted by the Board by Board Resolution;.

provided, in each case, that such Person has not ceased to be a Member pursuant to Bylaw 2.8.

### **2.2 Composition of Membership**

The membership will be comprised of a minimum of three (3) and a maximum of seven (7) Persons, as follows:

- (a) up to two (2) Assistant Deputy Ministers; and
- (b) up to five (5) Persons who are Stewardship Leaders.

### **2.3 Application for Membership**

A Person may apply to the Board in writing to become a Member and on acceptance by the Board will be a Member.

The Board may, by Board Resolution, accept, postpone or refuse an application for membership. A Person becomes a Member on the date of the Board Resolution or such later date as specified therein.

### **2.4 Membership not Transferable**

Membership is not transferable.

### **2.5 Terms of Membership**

A Member who is an Assistant Deputy Minister will continue as a Member indefinitely until he or she ceases to be a Member pursuant to Bylaw 2.8.

A Member who is a Stewardship Leader will normally serve a term of three (3) years. The Board may determine that some or all of the Stewardship Leader member positions will have a term of less than three (3) years, the length of such term to be determined by the Board in its discretion.

For purposes of calculating the duration of the term of membership for a Stewardship Leader, the term will be deemed to commence on the date the Board approves the admission of the Stewardship Leader to the membership of the Society.

## 2.6 Consecutive Terms and Term Limits

A Stewardship Leader may serve as a Member for up to six (6) consecutive years, by any combination of terms. A Stewardship Leader who has been a Member for six (6) consecutive years may not be re-appointed for at least one (1) year following the expiry of his or her latest term.

## 2.7 Transition of Terms

Each Stewardship Leader who is a Member on the date these Bylaws come into force will continue as a Member for the remaining term to which he or she was admitted, unless he or she otherwise ceases to be a Member in accordance with these Bylaws.

Any previous terms served by Directors prior to these Bylaws coming into force will be counted towards the term limits set out below.

## 2.8 Cessation of Membership

A Person will immediately cease to be a Member:

- (a) upon the date which is the later of:
  - (1) the date of delivering his or her resignation in writing to the Secretary or to the Address of the Society; and
  - (2) the effective date of the resignation stated thereon;
- (b) in the case of an Assistant Deputy Minister, upon ceasing to hold such office;
- (c) in the case of Member who is a Stewardship Leader, upon the expiry of his or her term;
- (d) upon the date he or she ceases to be qualified in accordance with Bylaw 7.3;
- (e) upon his or her expulsion; or
- (f) upon his or her death.

## 3. MEMBERSHIP RIGHTS AND OBLIGATIONS

### 3.1 Rights of Membership

In addition to any rights conferred by the Act, a Member has the following rights and privileges of membership:

- (a) to receive notice of, and to attend, all General Meetings;
- (b) to make or second motions at a General Meeting and to speak in debate on motions under consideration in accordance with such rules of order as may be adopted;
- (c) to exercise a vote on matters for determination at General Meetings; and
- (d) participate in the programs and initiatives of the Society, in accordance with such criteria as may be determined by the Board from time to time.

### 3.2 **Dues**

There will be no annual membership dues.

### 3.3 **Standing of Members**

All Members are deemed to be in good standing.

### 3.4 **Compliance with Constitution, Bylaws and Policies**

Every Member will, at all times:

- (a) uphold the Constitution and comply with these Bylaws, the regulations and the policies of the Society in effect from time to time;
- (b) abide by such codes of conduct and ethics adopted by the Society; and
- (c) further and not hinder the purposes, aims and objects of the Society.

### 3.5 **Expulsion of Member**

A Member may be expelled by a Special Resolution.

Notice of a Special Resolution to expel a Member will be provided to all Members and will be accompanied by a brief statement of the reasons for the proposed expulsion.

The Member who is the subject of the proposed expulsion will be provided with an opportunity to respond to the statement of reasons at or before the time the Special Resolution for expulsion is considered by the Members.

### 3.6 **No Distribution of Income to Members**

The activities of the Society will be carried on without purpose of gain for its members and any income, profits or other accretions to the Society will be used in promoting the purposes of the Society.

## 4. **MEETINGS OF MEMBERS**

### 4.1 **Time and Place of General Meetings**

The General Meetings of the Society will be held at such time and place, in accordance with the Act, as the Board decides.

### 4.2 **Annual General Meetings**

An annual general meeting will be held at least once in every calendar year and in accordance with the Act.

### 4.3 **Extraordinary General Meeting**

Every General Meeting other than an annual general meeting is an extraordinary general meeting.

#### 4.4 **Calling of Extraordinary General Meeting**

The Society will convene an extraordinary general meeting by providing notice in accordance with the Act and these Bylaws in any of the following circumstances:

- (a) at the call of the Chair;
- (b) when resolved by Board Resolution; or
- (c) when such a meeting is requisitioned by the Members in accordance with the Act.

#### 4.5 **Notice of General Meeting**

The Society will, in accordance with Bylaw 15.1, send notice of every General Meeting to:

- (a) each Member shown on the register of Members on the date the notice is sent; and
- (b) the auditor of the Society, if any is appointed,

not less than fourteen (14) days and not more than sixty (60) days prior to the date of the General Meeting.

No other Person is entitled to be given notice of a General Meeting.

#### 4.6 **Contents of Notice**

Notice of a General Meeting will specify the place, the day and the time of the meeting and will include the text of every Special Resolution to be proposed or considered at that meeting.

If the Board has decided to hold a General Meeting with participation by Electronic Means, the notice of that meeting must inform Members how they may participate by Electronic Means.

#### 4.7 **Omission of Notice**

The accidental omission to give notice of a General Meeting to a Member, or the non-receipt of notice by a Member, does not invalidate proceedings at that meeting.

### 5. **PROCEEDINGS AT GENERAL MEETINGS**

#### 5.1 **Business Required at Annual General Meeting**

The following business is required to be conducted at each annual general meeting of the Society:

- (a) the adoption of an agenda;
- (b) the approval of the minutes of the previous annual general meeting and any extraordinary general meetings held since the previous annual general meeting;
- (c) consideration of the financial statements and the report of the auditor thereon, if any;



- (d) consideration of any Members' proposals submitted in accordance with the Act; and
- (e) such other business, if any, required by the Act or at law to be considered at an annual general meeting.

The annual general meeting may include other business as determined by the Board in its discretion.

## **5.2 Electronic Participation in General Meetings**

The Board may decide, in its discretion, to hold any General Meeting in whole or in part by Electronic Means.

When a General Meeting is to be conducted using Electronic Means, the Board must take reasonable steps to ensure that all participants are able to communicate and participate in the meeting adequately and, in particular, that remote participants are able to participate in a manner comparable to participants present in person, if any.

Persons participating by Electronic Means are deemed to be present at the General Meeting.

## **5.3 Requirement of Quorum**

No business, other than the election of a Person to chair the meeting and the adjournment or termination of the meeting, will be conducted at a General Meeting at a time when a quorum is not present.

## **5.4 Quorum**

A quorum at a General Meeting is three (3) Members, of which at least one Member must be an Assistant Deputy Minister.

## **5.5 Lack of Quorum**

If within thirty (30) minutes from the time appointed for a General Meeting a quorum is not present, the meeting, if convened on the requisition of Members, will be terminated, but in any other case it will stand adjourned to the next day, at the same time and place, and if, at the adjourned meeting, a quorum is not present within thirty (30) minutes from the time appointed for the meeting, the Members present will constitute a quorum and the meeting may proceed.

## **5.6 Loss of Quorum**

If at any time during a General Meeting there ceases to be a quorum present, business then in progress will be suspended until there is a quorum present or until the meeting is adjourned or terminated.

## **5.7 Chair**

The Chair will, subject to a Board Resolution appointing another Person, preside as chairperson at all General Meetings.

If at any General Meeting the Chair, or such alternate Person appointed by a Board Resolution, if any, is not present within fifteen (15) minutes after the time appointed for the meeting, the Directors present may select one of their number to preside as chairperson at that meeting.

#### **5.8 Alternate Chair**

If a Person presiding as chairperson of a General Meeting wishes to step down as chairperson for all or part of that meeting, he or she may designate an alternate to chair such meeting or portion thereof, and upon such designated alternate receiving the consent of a majority of the Members present at such meeting, he or she may preside as chairperson.

#### **5.9 Adjournment**

A General Meeting may be adjourned from time to time and from place to place, but no business will be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **5.10 Notice of Adjournment**

It is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting except where a meeting is adjourned for more than fourteen (14) days, in which case notice of the adjourned meeting will be given as in the case of the original meeting.

### **6. VOTING BY MEMBERS**

#### **6.1 Ordinary Resolution Sufficient**

Unless the Act, these Bylaws or adopted rules of order provide otherwise, every issue for determination by a vote of the Members will be decided by an Ordinary Resolution.

#### **6.2 Entitlement to Vote**

Each Member is entitled to one (1) vote on matters for determination by the Members.

#### **6.3 Voting Methods**

Voting by Members may occur by any one or more of the following methods, in the discretion of the Board:

- (a) by show of hands or voting cards;
- (b) by written ballot; or
- (c) by vote conducted by Electronic Means.

Where a vote is to be conducted by show of hands or voting cards, and prior to the question being put to a vote, a number of Members equal to not less than ten percent (10%) of the votes present may request a secret ballot, and where so requested the vote in question will then be conducted by written ballot or other means whereby the tallied votes can be presented anonymously in such a way that it is impossible for the assembly to discern how a given Member voted.

#### 6.4 **Voting by Proxy**

Voting by proxy is not permitted.

### 7. **DIRECTORS**

#### 7.1 **Management of Property and Affairs**

The Board will have the authority and responsibility to manage, or supervise the management of, the property and the affairs of the Society.

#### 7.2 **Duties of Directors**

Pursuant to the Act, every Director will:

- (a) act honestly and in good faith with a view to the best interests of the Society;
- (b) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
- (c) act in accordance with the Act and the regulations thereunder.

#### 7.3 **Qualifications of Directors**

Pursuant to the Act, a Person may not serve (or continue to serve) as a Director if he or she:

- (a) is less than eighteen (18) years of age;
- (b) has been found by any court, in Canada or elsewhere, to be incapable of managing his or her own affairs;
- (c) is an undischarged bankrupt; or
- (d) has been convicted of a prescribed offence within the prescribed period, for which no pardon has been granted, in accordance with the Act.

#### 7.4 **Members are Directors**

The Members will be the Directors.

#### 7.5 **Removal of Director**

The Members may remove a Director before the expiration of such Director's term of office by Special Resolution and may elect a replacement Director by Ordinary Resolution to serve for the balance of the removed Director's term.

A Special Resolution to remove a Person as a Director will be deemed to expel the same Person from membership in the Society, and vice-versa.

#### 7.6 **Ceasing to be a Director**

A Person will cease to be a Director upon the date:

- (a) which is the later of:

- (1) the date of delivering his or her resignation in writing to the Chair or to the Address of the Society; and
- (2) the effective date of the resignation stated therein;
- (b) such Person is no longer qualified pursuant to Bylaw 7.3;
- (c) such Person is no longer a Member;
- (d) of his or her removal; or
- (e) of his or her death.

## **8. POWERS AND RESPONSIBILITIES OF THE BOARD**

### **8.1 Powers of Directors**

The Board may exercise all such powers and do all such acts and things as the Society may exercise and do, and which are not by these Bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the Members in General Meeting, but nevertheless subject to the provisions of:

- (a) all laws affecting the Society; and
- (b) these Bylaws and the Constitution.

Without limiting the generality of the foregoing, the Board will have the power to make expenditures, including grants, gifts and loans, whether or not secured or interest-bearing, in furtherance of the purposes of the Society. The Board will also have the power to enter into trust arrangements or contracts on behalf of the Society in furtherance of the purposes of the Society.

### **8.2 Remuneration of Directors and Officers and Reimbursement of Expenses**

A Director who is an Assistant Deputy Minister is not entitled to any remuneration for acting as a Director. A Director who is a Stewardship Leader may receive remuneration as determined by the Board from time to time. All Directors may be reimbursed for all expenses necessarily and reasonably incurred by him or her while engaged in the affairs of the Society, provided that all claims for reimbursement are in accordance with established policies.

### **8.3 Investment of Property and Standard of Care**

If the Board is required to invest funds on behalf of the Society, the Board may invest the property of the Society in any form of property or security in which a prudent investor might invest. The standard of care required of the Directors is that they will exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments in light of the purposes and distribution requirements of the Society.

#### 8.4 **Investment Advice**

The Directors may obtain advice with respect to the investment of the property of the Society and may rely on such advice if a prudent investor would rely upon the advice in comparable circumstances.

#### 8.5 **Delegation of Investment Authority to Agent**

The Directors may delegate to a stockbroker, investment dealer, or investment counsel the degree of authority with respect to the investment of the Society's property that a prudent investor might delegate in accordance with ordinary business practice.

### 9. **PROCEEDINGS OF THE BOARD**

#### 9.1 **Board Meetings**

Meetings of the Board may be held at any time and place determined by the Board.

#### 9.2 **Notice of Board Meetings**

Meetings of the Board may be held at any time and place determined by the Board provided that two (2) days' notice of such meeting will be sent to each Director.

However, no formal notice will be necessary if all Directors were present at the preceding meeting when the time and place of the meeting was decided or are present at the meeting or waive notice thereof in writing or give a prior verbal waiver to the Secretary.

#### 9.3 **Participation by Electronic Means**

The Board may decide, in its discretion, to hold any meeting or meetings of the Board in whole or in part by Electronic Means.

#### 9.4 **Quorum**

The Board may from time to time fix the quorum necessary to transact business and, unless so fixed, the quorum will be a majority of the Directors.

#### 9.5 **Director Conflict of Interest**

A Director who has a direct or indirect material interest in a contract or transaction (whether existing or proposed) with the Society, or a matter for consideration by the Directors:

- (a) will be counted in the quorum at a meeting of the Board at which the contract, transaction or matter is considered;
- (b) will disclose fully and promptly the nature and extent of his or her interest in the contract, transaction or matter;
- (c) is not entitled to vote on the contract, transaction or matter;
- (d) will absent him or herself from the meeting or portion thereof;

- (1) at which the contract, transaction or matter is discussed, unless requested by the Board to remain to provide relevant information; and
- (2) in any case, during the vote on the contract, transaction or matter; and
- (e) refrain from any action intended to influence the discussion or vote.

The Board may establish further policies governing conflicts of interest of Directors and others, provided that such policies must not contradict the Act or these Bylaws.

## **9.6 Chair of Meetings**

The Chair will preside as chairperson at all meetings of the Board.

If at any meeting of the Board the Chair and such alternate Person appointed by a Board Resolution, if any, are not present within fifteen (15) minutes after the time appointed for the meeting or requests that he or she not chair that meeting, the Directors present may choose one of their number to preside as chairperson at that meeting.

## **9.7 Alternate Chair**

If the Person presiding as chairperson of a meeting of the Board wishes to step down as chairperson for all or part of that meeting, he or she may designate an alternate to chair such meeting or portion thereof, and upon such designated alternate receiving the consent of a majority of the Directors present at such meeting, he or she may preside as chairperson.

# **10. OFFICERS**

## **10.1 Officers**

The officers of the Society are the Chair, Secretary and Treasurer, together with such other officers, if any, as the Board, in its discretion, may create. The above required officers must be Directors.

The Board may, by Board Resolution, create and remove such other officers of the Society as it deems necessary and determine the duties and responsibilities of all officers.

## **10.2 Election of Officers**

At each meeting of the Board immediately following an annual general meeting, the Board will elect the officers.

## **10.3 Term of Officer**

The term of office for each officer will be one (1) year, commencing on the date the Director is elected as an officer in accordance with Bylaw 10.2 and continuing until the first meeting of the Board held after the next following annual general meeting. A Director may be elected as an officer for consecutive terms.

## **10.4 Removal of Officers**

A Person may be removed as an officer by Board Resolution.

## 10.5 Replacement

Should the Chair or any other officer for any reason be unable to complete his or her term, the Board will remove such officer from his or her office and will elect a replacement without delay.

## 10.6 Duties of Chair

The Chair will supervise the other officers in the execution of their duties and will preside at all meetings of the Society and of the Board.

## 10.7 Duties of Secretary

The Secretary will be responsible for making the necessary arrangements for:

- (a) the issuance of notices of meetings of the Society and the Board;
- (b) the keeping of minutes of all meetings of the Society and the Board;
- (c) the custody of all records and documents of the Society, except those required to be kept by the Treasurer;
- (d) the maintenance of the register of Members; and
- (e) the conduct of the correspondence of the Society.

## 10.8 Duties of Treasurer

The Treasurer will be responsible for making the necessary arrangements for:

- (a) the keeping of such financial records, reports and returns, including books of account, as are necessary to comply with the Act and the *Income Tax Act*; and
- (b) the rendering of financial statements to the Directors, Members and others, when required.

## 10.9 Absence of Secretary at Meeting

If the Secretary is absent from any General Meeting or meeting of the Board, the Directors present will appoint another Person to act as secretary at that meeting.

## 10.10 Combination of Offices of Secretary and Treasurer

The offices of Secretary and Treasurer may be held by one (1) Person who will be known as the Secretary-Treasurer.

# 11. INDEMNIFICATION

## 11.1 Indemnification of Directors and Eligible Parties

To the extent permitted by the Act, each Director and eligible party (as defined by the Act) will be indemnified by the Society against all costs, charges and expenses, including legal and other fees, actually and reasonably incurred in connection with any legal proceeding or investigative action, whether current, threatened, pending or completed, to which that Person by reason of his or her holding or having held authority within the Society:

- (a) is or may be joined as a party to such legal proceeding or investigative action; or
- (b) is or may be liable for or in respect of a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, such legal proceeding or investigative action.

## 11.2 Purchase of Insurance

The Society may purchase and maintain insurance for the benefit of any or all Directors, officers, employees or agents against personal liability incurred by any such Person as a Director, officer, employee or agent.

## 12. COMMITTEES

### 12.1 Creation and Delegation to Committees

The Board may create such standing and special committees, as may from time to time be required. Any such committee will limit its activities to the purpose or purposes for which it is appointed and will have no powers except those specifically conferred by Board Resolution.

The Board may delegate any, but not all, of its powers to committees which may be in whole or in part composed of Directors as it thinks fit.

### 12.2 Standing and Special Committees

Unless specifically designated as a standing committee, a committee is deemed to be a special committee and any special committee so created must be created for a specified time period.

A special committee will automatically be dissolved upon the earlier of the following:

- (a) the completion of the specified time period; or
- (b) the completion of the task for which it was created.

### 12.3 Terms of Reference

In the event the Board decides to create a committee, it must establish terms of reference for such committee. A committee, in the exercise of the powers delegated to it, will conform to any rules that may from time to time be imposed by the Board in the terms of reference or otherwise, and will report every act or thing done in exercise of those powers at the next meeting of the Board held after it has been done, or at such other time or times as the Board may determine.

### 12.4 Meetings

The members of a committee may meet and adjourn as they think proper and meetings of the committees will be governed *mutatis mutandis* by the rules set out in these Bylaws governing proceedings of the Board.



### **13. EXECUTION OF INSTRUMENTS**

#### **13.1 Seal**

The Society may have a corporate seal but will not use the seal for the purpose of executing documents.

#### **13.2 Execution of Instruments**

Contracts, documents or instruments in writing requiring the execution of the Society may be signed as follows:

- (a) by the Chair, together with one (1) other Director, or
- (b) in the event that the Chair is unavailable to provide a signature, by any two Directors, provided that one (1) of them in as Assistant Deputy Minister,

and all contracts, documents and instruments in writing so signed will be binding upon the Society without any further authorization or formality.

The Board will have power from time to time by Board Resolution to appoint any officer or officers, or any Person or Persons, on behalf of the Society to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

### **14. FINANCIAL MATTERS**

#### **14.1 Accounting Records**

The Society will maintain such financial and accounting records and books of account as are required by the Act and applicable laws.

#### **14.2 Borrowing Powers**

In order to carry out the purposes of the Society, the Board may, on behalf of and in the name of the Society, raise, borrow or secure the payment or repayment of money in any manner it decides, including the granting of guarantees, and in particular, but without limiting the foregoing, by the issue of debentures.

#### **14.3 Restrictions on Borrowing Powers**

The Members may by Ordinary Resolution restrict the borrowing powers of the Board.

#### **14.4 When Audit Required**

The Society is not required to be audited. However, the Society will conduct an audit of its annual financial statements if:

- (a) the Directors determine to conduct an audit by Board Resolution; or
- (b) the Members require the appointment of an auditor by Ordinary Resolution,

in which case the Society will appoint an auditor qualified in accordance with Part 9 of the Act and these Bylaws.

#### **14.5 Appointment of Auditor at Annual General Meeting**

If the Society determines to conduct an audit, an auditor will be appointed at an annual general meeting, to hold office until such auditor is reappointed at a subsequent annual general meeting or a successor is appointed in accordance with the procedures set out in the Act or until the Society no longer wishes to appoint an auditor.

#### **14.6 Vacancy in Auditor**

Except as provided in Bylaw 14.7, the Board will fill any vacancy occurring in the office of auditor and an auditor so appointed will hold office until the next annual general meeting.

#### **14.7 Removal of Auditor**

An auditor may be removed and replaced by Ordinary Resolution in accordance with the procedures set out in the Act.

#### **14.8 Notice of Appointment**

An auditor will be promptly informed in writing of such appointment or removal.

#### **14.9 Auditor's Report**

The auditor, if any, must prepare a report on the financial statements of the Society in accordance with the requirements of the Act and applicable law.

#### **14.10 Participation in General Meetings**

The auditor, if any, is entitled in respect of a General Meeting to:

- (a) receive every notice relating to a meeting to which a Member is entitled;
- (b) attend the meeting; and
- (c) to be heard at the meeting on any part of the business of the meeting that deals with the auditor's duties or function.

An auditor who is present at a General Meeting at which the financial statements are considered must answer questions concerning those financial statements, the auditor's report, if any, and any other matter relating to the auditor's duties or function.

### **15. NOTICE GENERALLY**

#### **15.1 Method of Giving Notice**

Except as otherwise provided in these Bylaws, a notice may be given to a Member or a Director either personally, by delivery, courier or by mail posted to such Person's Registered Address, or, where the Member or Director has provided a fax number or e-mail address, by fax or e-mail, respectively.

## 15.2 When Notice Deemed to have been Received

A notice sent by mail will be deemed to have been given on the day following that on which the notice was posted. In proving that notice has been given, it is sufficient to prove the notice was properly addressed and put in a Canadian Government post office receptacle with adequate postage affixed, provided that if, between the time of posting and the deemed giving of the notice, a mail strike or other labour dispute which might reasonably be expected to delay the delivery of such notice by the mails occurs, then such notice will only be effective when actually received.

Any notice delivered personally, by delivery or courier, facsimile, or electronic mail will be deemed to have been given on the day it was so delivered or sent.

## 15.3 Days to be Counted in Notice

If a number of days' notice or a notice extending over any other period is required to be given, the day the notice is given or deemed to have been given and the day on which the event for which notice is given will not be counted in the number of days required.

## 16. MISCELLANEOUS

### 16.1 Dissolution

Upon winding-up or dissolution of the Society, the funds and property remaining after the payment of all costs, charges and expenses properly incurred in the winding-up or dissolution, including the remuneration of the liquidator, and after payment to employees of the Society of any arrears of salaries or wages, and after the payment of any debts of the Society, will be distributed to such "qualified donees" as defined by the *Income Tax Act*, as are designated by the Board. Any of such funds or property remaining which had originally been received for specific purposes will, wherever possible, be distributed to "qualified donees" carrying on work of a similar nature to such specific purposes.

### 16.2 Inspection of Documents and Records

The documents and records of the Society, including the financial and accounting records and the minutes of General Meetings, committee meetings and meetings of the Board, will be open to the inspection of any Director at reasonable times and on reasonable notice.

A Member is entitled, upon providing not less than fourteen (14) days' notice in writing to the Society, to inspect any of the following documents and records of the Society at the Address of the Society during the Society's normal business hours:

- (a) the Constitution and these Bylaws, and any amendments thereto;
- (b) the statement of directors and registered office of the Society;
- (c) minutes of any General Meeting, including the text of each resolution passed at the meeting;
- (d) resolutions of the Members in writing, if any;

- (e) annual financial statements relating to a past fiscal year that have been received by the Members in a General Meeting;
- (f) the register of Directors;
- (g) the register of Members;
- (h) the Society's certificate of incorporation, and any other certificates, confirmations or records furnished to the Society by the Registrar;
- (i) copies of orders made by a court, tribunal or government body in respect of the Society;
- (j) the written consents of Directors to act as such and the written resignations of Directors; and
- (k) the disclosure of a Director or of a senior manager regarding a conflict of interest.

Except as expressly provided by statute or at law, a Member will not be entitled or have the right to inspect any other document or record of the Society. However, subject to such policies as the Board may establish, a Member may request, in writing delivered to the Address of the Society, to inspect any other document or record of the Society and the Board may allow the Member to inspect the document or a copy thereof, in whole or in part and subject to such redaction as the Board deems necessary, all in the Board's sole discretion.

Copies of documents which a Member is allowed to inspect may be provided on request by the Member for a fee to be determined by the Board, provided such fee does not exceed the limits prescribed in the Act.

## **17. BYLAWS**

### **17.1 Entitlement of Members to copy of Constitution and Bylaws**

On being admitted to membership, each Member is entitled to, and upon request the Society will provide him or her with, access to a copy of the Constitution and these Bylaws.

### **17.2 Special Resolution required to Alter Bylaws**

These Bylaws will not be altered except by Special Resolution.

### **17.3 Effective Date of Alteration**

Any alteration to the Bylaws or Constitution will take effect on the date the alteration application is filed with the Registrar in accordance with the Act.

**THESE BYLAWS ADOPTED BY SPECIAL RESOLUTION DATED: May 11, 2018.**