

Briefing Note – June 2023

PREPARED FOR: **BCCA Employee Benefit Trust Board of Trustees**

PREPARED BY: Arthur Chung

DATE PREPARED: May 26, 2023

TOPIC: **Board of Trustee Composition – Policy Amendments (Motion Required)**

RECOMMENDATION: The EBT is seeking approval from the Board of Trustees to approve changes to the EBT Policy (Section 9, subsection 9.1) regarding the EBT Board of Trustee composition. Details to the proposed changes are detailed in the background section.

BACKGROUND: Motivated by the Trust's fiduciary responsibility to ensure that the Board of Trustees, representing the Trust and its members, have in place policies and procedures that provide sound and sensible governance. Fundamental to the management and affairs of the Trust, is a relevant and diverse board composition. Essentially, it is about ensuring there is a good balance between the skills, experience, and tenure of its Trustees; including a wider range of expertise to provide thorough oversight and effective leadership. Maintaining a strong, balanced board requires context of the past and continuous planning aimed at the future. This is an important responsibility of the Governance Committee and of the board. It is vital that the board should remain well balanced over time. A balanced composition allows it to adapt to the changing demands of our industry environment and ensures that it fulfils the role in driving sustainable objectives and performance.

To do its work effectively, with the highest degree of knowledge and competency, the Board of Trustees shall be intentionally composed to include the specifically identified knowledge, skills, and experience that are necessary to carry out the Board's role and the due diligence functions. These knowledge, skills, and experience will be brought together with due consideration for diversity and networks.

The **Governance Committee** proposes:

- revising EBT Board Governance Policy (Section 9, subsection 9.1) to reflect an expansion of the Board of Trustees composition to include an additional category, such as *Subject Matter Expert* waiving provisions or criteria prevailing within the existing EBT board policy and the Trust Agreement.
- reducing one regional Trustee delegate from the VRCA and replacing this position with a 'Trustee-at-large', waiving the prevailing criteria in the Trust Agreement stipulating that the Trustee must be a member of a Regional Construction Association.
- amending the Trust Agreement; namely, Part 2, Section 2.1 (Number and Appointment of Trustees) to reflect a change in the number of Trustees that can sit on the Board, from ten to 11 Trustees.

- the Trustees, defined in the additional categories, will have authority and rights to move, propose, debate, and vote on motions.
- nomination for these two positions may be made by any person of the EBT, BCCA or from the current and active EBT Board of Trustees.
- ratification of these two positions will be the responsibility of the EBT Board of Trustees.
- these two positions are eligible to contribute and sit on a committee.
- these two positions are eligible to be a Chair of a committee and a Chair of the Board of Trustees.
- the terms of the SME Trustee and the Trustee-at-large will be for 3 years.

MOTION:

The Governance Committee moves amend the EBT Policy, Section 9, Subsection 9.1 with the following amendments:

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