

BCCA EBT: Governance Policies

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BCCA EBT: Governance Policies

1.0 Mission Statement

The BCCA EBT exists so that Participating Employers and Employees receive value and cost-effective benefits. This mission can only be realized if:

- 1.1 The Trust is financially sustainable.
- 1.2 Growth and economies of scale are achieved, so as to manage and potentially reduce premiums to Participating Employers.
- 1.3 Participating Employees enjoy improved quality of life through cost-effective and sustainable health benefits.
- 1.4 Participating Employers can protect and retain their employees through flexible and value-oriented programs.

2.0 Role and Responsibilities of the Board of Trustees

The Board of Trustees shall represent the interests of the ownership, who are the Participating Employees as defined in the Trust Agreement, in overseeing the operations of the Trust. Specific responsibilities of the Board shall include:

- 2.1 **Selection and Oversight of the Chief Executive Officer (“CEO”):** The Board shall define the role and responsibilities of the CEO, set the limits of authority that shall apply to this role and provide ongoing oversight of the CEO in fulfilling those responsibilities. The Board shall select the CEO, determine his/her compensation as well as appropriate bonuses, salary increases and changes to the benefits package, and shall evaluate the CEO’s performance as outlined in s. 6.1. If and when appropriate, the Board may terminate the CEO’s employment. The Board shall protect the organization by ensuring continuity of leadership through succession planning for the CEO on both an emergency basis and, when appropriate, long-term succession for the CEO’s anticipated retirement.
- 2.2 **Oversight of organizational performance, financial reporting, risk management and investment/asset portfolio management:** The Board is responsible to provide ongoing oversight of the financial and operating performance of the Trust. The Board shall ensure that appropriate financial controls are in place and financial reporting is regularly verified by external auditors. The Board shall also ensure that key risks facing the organization are identified, understood and that appropriate steps to mitigate those risks are taken. The Board shall oversee the investment/asset portfolio of the Trust to ensure that is being properly managed in accordance with the Board’s Statement of Investment Policies and Procedures (“SIPP”) to maximize returns with appropriate risk.

- 2.3 **Budget approval:** On an annual basis, management shall present its operating budget to the Board for approval. The Board shall receive regular (at least quarterly) updates from the CEO and management of financial and organizational performance against budget and ongoing updates on progress relative to capital expenditures authorized by the board.
- 2.4 **Review and ongoing monitoring of the implementation of organization strategy:** On an annual basis, the CEO and management shall present to the Board for approval their strategies to fulfil the mission of the trust consistent with the Mission Statement. The Board shall thereafter receive regular updates to monitor management’s progress in meeting key strategic objectives.
- 2.5 **Decisions regarding the Plan Text, Aggregate Premiums and BCCA Sponsorship Fee:** The Board shall provide decisions regarding the Plan Text, which sets out the Health and Welfare benefits to be provided under the program, the eligibility requirements for such benefits and such other terms as the Board considers necessary to include, provided that all such terms are consistent with the Trust Agreement and applicable law. The Board shall also be responsible for all decisions regarding overall annual/aggregate premiums (expressed as a percentage) for the Program and the BCCA Sponsorship fee.
- 2.6 **Oversight of compliance with regulatory, legal and ethical requirements:** The Board shall oversee the operation of the Trust so as to ensure that it is in compliance with all applicable regulatory and legal requirements and reflects the highest levels of integrity and ethics in its operations and in its dealings with both staff and clients.
- 2.7 **Board composition, governance policies, board leadership, committees and performance management:** The Board is responsible for the recruitment and nomination of Trustees, establishment of re-nomination policies (such as term limits) and governance policies (whistleblower, conflicts of interest, etc.). The Board shall select its own Chair, Vice-Chair and Board Secretary and shall define the roles and responsibilities of these positions (see s. 8). The Board shall also establish and define the mandates of any Board Committees deemed appropriate (see s. 3), assign Trustees to serve as members and chairs of these Committees and ensure that the Committees are properly resourced and supported. The Board shall regularly evaluate its performance and that of its Committees both through a formal board evaluation process and more informally through ongoing discussions in “in camera” sessions.

3.0 Board Committees

The Board may fulfill some of its responsibilities through its committees. The mandates of the Board’s standing committees are as follows:

3.1 **Executive Committee**

- 3.1.1 **CEO Compensation:** The Committee shall negotiate the CEO's employment contract on behalf of the Board and determine the CEO's compensation and benefits. The Committee shall annually review the CEO's compensation package and propose any changes thereto to the full Board for approval. If appropriate, the Committee may retain the services of independent legal advisors or compensation consultants to provide advice to the Committee on these issues.
- 3.1.2 **Annual CEO Performance Evaluation:** The Committee will take the lead, on behalf of the Board, in conducting the CEO's annual performance evaluation as outlined in s. 5.1, gathering input from the CEO and all Trustees as part of the evaluation process and discussing the evaluation results with the full Board.
- 3.1.3 **Succession Planning:** To protect the Board and organization from the sudden loss of CEO services, the Committee will ensure that at least one executive is sufficiently familiar with Board and CEO issues and able to willingly take over with reasonable proficiency as an interim successor.
- 3.1.4 **Decision-Making between Board Meetings:** The Committee will serve as an ongoing sounding board to the CEO on various matters arising between Board meetings. In appropriate and infrequent circumstances, the Committee may make decisions on behalf of the full Board so that the CEO and management can move forward in addressing pressing issues where it is impractical to delay such a decision until the next board meeting. When this occurs, however, the entire Board will be fully briefed on the matter at the next Board meeting.

3.2 **Finance and Audit Committee:**

- 3.2.1 **Annual Audit:** The Committee shall ensure that a fully qualified external auditor conducts a competent audit annually covering all normal audit topics so as to verify the accuracy of the Trust's financial reporting and results. Audit results will be communicated to the Board no later than Feb 28th of each year. The external auditor shall meet with the Committee (and, if and when appropriate, with the full Board in an "in camera" session) without the CEO, CFO or any other member of management present to discuss the audit results, financial reporting and any key financial risks facing the organization.
- 3.2.2 **Financial Controls:** The auditor shall confirm to the Committee that appropriate financial controls are in place at the Trust and shall make recommendations to the Committee for any changes in current practices. To accomplish this, the auditor shall conduct a review of financial controls and practices at the Trust on an annual basis and meet with the Committee to discuss the results thereof.
- 3.2.3 **Investment Management:** The Committee shall oversee the management of the Trust's portfolio by regularly reviewing reports from the investment manager and meeting with the investment manager at least once a year to ensure that the portfolio is managed in accordance with the Board's Statement of Investment Policies and Procedures ("SIPP") and evaluate the performance of the investment manager. Based on a review of the quarterly financial statements, the Finance

Committee may authorize movement of funds to or from the Investment Manager to comply with the allocation parameters set out in this Statement of investment policies and procedures. Any such action will be presented to the board in the quarterly Finance Report.

3.2.4 **The Committee shall review the quarterly financial results prior to their presentation to the Board for approval.**

3.3 **Governance Committee:**

- 3.3.1 **Trustee Recruitment:** The Committee shall be responsible for managing the board nomination process, including the development of recommended skills and abilities required for Trustees, providing notification to the regions and ensuring that a slate of suitable nominees is presented to the Board each year by October 31.
- 3.3.2 **Trustee Orientation and Development:** The Committee shall work with management to develop an orientation program for new Trustees that provides an overview of how the board works, fiduciary responsibilities and expectations of Trustees, and an overview of the organization, including its business model, strategic objectives, key staff (meetings with whom should be incorporated into the orientation program, wherever feasible), and priority issues. The Committee will also make recommendations on external or internal programs for the further development of Trustees. In the first quarter of each year, the Committee will arrange for at least one speaker during the year to provide either governance education or to discuss trends impacting the business of the Trust that may be helpful to the Board in its oversight responsibilities.
- 3.3.3 **Governance Policies and Conflicts of Interest:** The Committee is responsible for regularly reviewing and recommending to the Board any new governance policies or changes existing governance policies, including these Governance Policies, the Trustee Code of Conduct, conflicts of interest, whistleblower policies, policies on Trustee compensation and expense reimbursement, etc. Changes to any governance policies shall require a consensus of the full Board.
- 3.3.4 **Board Committee Structure and Assignments:** In May/June of each year, the Committee shall review make recommendations on any changes to the board committee structure or mandates as well as the appointment of committee chairs and members. A minimum of two board members shall be designated to serve on each board committee and wherever possible one will be a Member Representative (MR) and one an Association Representative (AR). The Executive Committee, however, shall always be chaired by the Board Chair and the Vice-Chair and Past Chair shall serve as Executive Committee members.
- 3.3.5 **Board Leadership:** The Committee shall define the roles of the Chair, Vice-Chair and Board Secretary and ensure that these roles are filled by qualified candidates. The Committee may make recommendations on individuals to serve in these positions, subject to a vote of the full Board. The CEO's input on potential Board Chair and Vice-Chair nominees will be sought and considered by the Committee prior to

making any such recommendations; however, the CEO does not have a veto on this issue.

- 3.3.6 **Board Evaluation:** The Committee shall be responsible to ensure that the Board conducts a robust and constructive board evaluation process each year and that any action plan created from the board evaluation process is progressed.
- 3.3.7 **Plan Text:** The Committee shall make recommendations to the full Board with respect to changes to the Plan Text, as appropriate.

4.0 Role and Responsibilities of the Chief Executive Officer

The Chief Executive Officer (“CEO”) has authority and accountability for the financial and operating performance of the Trust, for the performance of all staff employed by the Trust and for protecting the reputation of the Trust through the demonstration of principled leadership.

- 4.1 **Ethics and Integrity:** The CEO shall be responsible for prudent, ethical and lawful operation of the Trust and shall at all times conduct him/herself in a way that reflects the highest level of honesty and integrity in dealings with the Board of Trustees, Trust clients and Trust staff. The CEO shall never endanger the organization’s credibility and image nor jeopardize the historical and special relationship that the Trust has with the BCCA and the four regional associations.
- 4.2 **Development and Implementation of Sound Financial, Operating and Strategic Plans:** The CEO shall develop and present to the Board for approval strategies to fulfil the mission of the Trust. At no time will the CEO develop any plan or create any circumstance that will risk placing the Trust in a position of financial jeopardy. On an annual basis, the CEO shall develop budgets and operating plans for approval by the Board and shall be responsible for the execution of such plans. Annual budgets shall include:
 - a) Credible projections of revenues and expenses;
 - b) Separation of capital and operational items;
 - c) Cash flow analysis; and
 - d) Disclosure of planning assumptions

The CEO shall update the Board on the Trust’s financial and operating performance against budget on a quarterly basis. The CEO shall not deliberately cause any material deviation of actual expenditures from the budget and shall promptly notify the Board of any material changes to anticipated financial and operating results as well as any setbacks or developments that may affect the achievement of strategic growth objectives approved by the Board.

- 4.3 **Hiring, Direction and Evaluation of Staff:** The hiring, direction and evaluation of staff shall be the sole responsibility of the CEO. The CEO shall inform the Executive Committee of any significant executive hiring decisions (typically direct reports of the CEO) in advance of the finalization of any such employment offers and shall provide the Committee with details relative to compensation and key responsibilities of such hires. The CEO shall not propose or

establish any compensation or benefits for staff that materially deviate from the geographic or professional market for the skills employed, nor create any compensation or benefit obligations over a longer term than revenue can reasonably be projected.

Performance evaluation of staff will be the responsibility of the CEO; the Board will not evaluate, either formally or informally, any staff other than the CEO. The CEO shall advise the Executive Committee of his/her views on staff performance at least annually, typically at the February meeting. The decision to terminate any staff member shall be solely the decision of the CEO, subject to compliance with the Trust's whistleblower policy, where relevant. The Board shall promptly be notified of the dismissal or resignation of any direct report to the CEO.

- 4.4 **Work Environment:** The CEO shall be responsible for creating a safe, dignified and organized work environment. The CEO shall ensure that written personnel procedures are developed which clarify rules for Trust staff, provide for effective handling of grievances and protect against wrongful work conditions (such as nepotism or grossly preferential treatment for personal reasons.)

The CEO shall not retaliate against an employee for non-disruptive expressions or dissent or for reporting to management or to the Board of Trustees (per the grievance procedure in the personnel manual) acts or omissions by staff, management or any Trustee that the employee believes, in good faith and based on credible information, constitutes a violation of provincial or federal law or a governing policy of the Board (Whistleblower Policy). The CEO shall also ensure that the Whistleblower Policy is included in the Employee Handbook along with contact information for Trustees designated to receive any Whistleblower information (typically the Chair, Vice-Chair and Chair of the Governance Committee).

- 4.5 **Financial Administration:** The CEO shall ensure that the Trust's payroll, debts, taxes and any other government-ordered payments are handled in a timely manner and that all government filings (including taxes) are accurate and filed on a timely basis. The CEO shall also ensure that all funds received, processed or disbursed are subject to financial controls which meet the standards of the board-appointed auditors and that all personnel given access to material amounts of funds have been subject to appropriate background checks beforehand.

- 4.6 **Asset Protection:** The CEO will ensure that the Trust, its premises and its employees are properly insured against theft, fire and casualty losses to a prudent replacement value and against liability losses. He/she shall also ensure that Trust facilities and equipment receive appropriate maintenance and are not subjected to improper wear and tear.

The CEO will not allow intellectual property information or files to be exposed to loss, improper access or significant damage. He/she will also ensure that records are maintained in accordance with a records retention schedule approved by legal counsel.

The CEO will see that the Trustees and any other volunteers working on behalf of the Trust are insured against accidental death and dismemberment for travel and for any liability incurred in the course of their work on the Trust's behalf. The CEO shall allocate budget so as to ensure that all Trustees are covered by Directors' and Officers' liability insurance at a prudent and appropriate level.

- 4.7 **Respectful Treatment of Clients:** The CEO shall ensure that the Trust's interactions with clients shall be conducted in a safe, timely, ethical, accurate, respectful manner that is not unnecessarily intrusive and demonstrates respect for client confidentiality and privacy. Client access to relevant information shall not be unduly limited and at all times, the Trust shall seek to provide good communication with client organizations and their staff members.
- 4.8 **Leadership Continuity:** To protect the board and organization from the sudden loss of CEO services, the CEO will ensure that at least one executive is sufficiently familiar with board and CEO issues and able to willingly take over with reasonable proficiency as an interim successor. The CEO shall not operate without a designate identified (to the Board and to relevant parts of the organization) as being in charge when the CEO is absent.
- 4.9 **Board Relationship:** The CEO shall strive to establish and maintain a highly constructive working relationship with the Board of Trustees characterized by open discussion, mutual respect and excellent communications. The CEO will ensure that the Board is informed of any significant information impacting the Trust including anticipated adverse media coverage, threatened or pending lawsuit, and material external or internal changes. If, in the CEO's opinion, the Board is not in compliance with its own governance policies or if the behavior of one or more Trustees has become detrimental to the working relationship between the Board and management, the CEO shall have a positive obligation to raise this issue with the Chair who shall then determine how this situation can be addressed; if the problem involves the Chair, then the CEO shall have a positive obligation to discuss the issue with the Vice-Chair.

5.0 CEO Evaluation and Executive Performance Monitoring

- 5.1 **Annual CEO Evaluation:** Prior to the start of every fiscal year, the CEO shall discuss with the Executive Committee and subsequently the full Board what his/her key objectives will be for the year and how these will be measured (KPIs). Key objectives will typically include meeting the budget approved by the Board, meeting key targets for Board-approved plans for strategic growth plans and related initiatives (which may be milestones) and other similar items. In addition, thereto, the CEO is generally tasked with fulfilling his/her role/responsibilities outlined in s. 5 herein.

At year-end, and prior to the February meeting of the following year, the Chair will collect data to measure the CEO's performance against the agreed-upon KPIs. He/she shall also gather feedback from each Trustee on the CEO's performance. The Chair shall also request from the CEO a written self-evaluation outlining the CEO's views on how he/she performed

relative to the key objectives agreed upon at the start of the year and relative to the CEO's roles/responsibilities in s.5.

Using all of this information, the Executive Committee will meet "in camera" to discuss the CEO's performance, compensation, any changes to the CEO's employment contract and to confirm the CEO's incentive award calculations for the previous fiscal year. The Committee will then meet with the CEO to discuss these matters with him/her and the Chair will prepare a written report for the full Board.

5.2 External Auditors and Consultants: To monitor organizational performance, the Board and/or the appropriate Committee (as outlined in s. 3) shall receive reports and presentations from:

5.2.1 External auditors retained to conduct the annual audit and other appropriate reviews of financial reporting and/or financial controls;

5.2.2 Investment managers retained to overseeing investment portfolio management and ensure that this portfolio is managed in accordance with the Board's Statement of Investment Policies and Procedures ("SIPP");

5.2.3 Actuarial consultants retained by the Trust to provide advice relative to plan design, rate structures and related risk management issues;

5.2.4 Other third parties retained to conduct the external client survey to report on the ethical treatment of clients (every three years); Annual EBT Employee Surveys; other research deemed appropriate for the monitoring of the CEO and management by the board; or its Committees relative to treatment of clients and staff;

5.2.5 Legal counsel, compensation, governance or other consultants who can provide appropriate advice to the board or any of its committees enabling the fulfillment of board or committee duties/responsibilities.

The Board or any Committee to which any of the aforementioned shall present, shall hold an "in camera" discussion at the end of any such presentation so that the Board or Committee may ask questions of the consultants or auditors outside of the presence of the CEO and management.

5.3 Requests for Access to Information: Management will attempt to furnish the Board, Committees and individual Trustees with information they require to fulfill their oversight responsibilities. However, in the case of Trustees or Committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or are disruptive.

5.4 Access to Management Team: The CEO shall be the Board's sole official connection to the organization, or in the absence of the CEO, his or her designate. Trustees wishing to contact other members of management will, as a courtesy, inform the CEO of this request in advance

so that he/she is aware of it and will not generally object to any such contact unless it becomes disruptive. Trustees shall never give instructions to persons who report directly or indirectly to the CEO.

In the case of an employee contacting a Trustee in the context of a “whistleblower” or sexual harassment complaint (as defined in the Trust’s employee handbook), the Board will directly interact with such employee to address the concern raised.

6.0 Limits of Authority

Chief Executive Officer

6.1 The CEO shall not have authority to:

- 6.1.1 Use any investment management reserves;
- 6.1.2 Acquire, encumber or dispose of any real estate;
- 6.1.3 Change the organization’s name or substantially alter its identity in the community or its Mission Statement;
- 6.1.4 Amend the BCCA Sponsorship Fee;
- 6.1.5 Amend the plan text (including eligibility) so as to modify the benefits or coverages approved by the board. The CEO may, however, modify the amounts of premiums and levels of coverage without the need for prior Board approval, provided that the CEO updates the full Board on any such modifications;
- 6.1.6 Amend overall annual/aggregate premiums (expressed as a percentage) for the Program;
- 6.1.7 Unnecessarily expose the Trust, its Board or staff to liability claims;
- 6.1.8 Make any purchase wherein a conflict of interest may be present without providing normally prudent protection through a robust comparison of prices and quality;
- 6.1.9 Make any changes to his/her compensation and benefits except as those benefits are consistent with the packages for all other employees of the Trust; or
- 6.1.10 Allow any cheque in excess of \$20,000.00 to be issued without two signatures (such signatures being from the group of the CEO and the Trustees).

With the exception of those items noted above, the CEO is authorized to establish all operational policies, make all decisions, take all actions, establish all practices and develop activities necessary to achieve the Mission Statement and organizational objectives of the Trust and to deliver on the budget and strategic objectives approved by the Board.

Board of Trustees

6.2 The authority of the Board and of individual Trustees is limited in these ways:

- 6.2.1 Only officially passed motions of the board are binding on the CEO. Decisions or instructions of individual Trustees, or Committees (if not ratified by the full board) are not binding upon the CEO;
- 6.2.2 Trustees will not give instructions or direction to staff either directly or indirectly;

- 6.2.3 The Board will evaluate the performance of the CEO as outlined in s.5 but will not evaluate either formally or informally, any staff other than the CEO;
- 6.2.4 Although Trustees are expected to play an ambassadorial role for the Trust within the industry and the community (see s. 9.3.10), it is only the CEO who speaks on behalf of the Trust and can make commitments on behalf of the Trust.

7.0 Board Agendas and Meetings

- 7.1 **Board Calendar:** An annual Board calendar will be developed by the Board Chair every year beginning on the last day of August. It will be incumbent upon the Chair to ensure that, over the course of the year, the Board (or the appropriate Board Committee) will address all issues required to fulfill the Board's responsibilities and Committee charter mandates.
- 7.2 **Board Meetings:** The Board's quarterly meetings will normally be scheduled for:
 - September/October
 - November
 - February (AGM)
 - May/June

In addition, the Chair may either plan for or call, as required special meetings of the Board to be held either in person or by teleconference. Committee meetings will also be scheduled as part of the development of the Board Calendar.

- 7.3 **Board Agendas:** Any Trustee may recommend an item for the agenda of a Board or Committee meeting by notifying the Board Chair or Committee Chair at least 14 days prior to the meeting. Inclusion of the recommended item on the agenda will be at the discretion of the Chair or Committee Chair.

Throughout the year, the Board will attend to required approval (consent) agenda items as expeditiously as possible.

Both Board and Committee agendas will be designed to include "in camera" sessions, as appropriate, and specifically where the auditors or any consultants may be presenting to the Board or a Board Committee as contemplated in s.3 and s.5 herein.

8.0 Board Leadership

Chair of the Board

- 8.1 **Selection and Terms:** The Board of Trustees shall select the Board Chair by a majority vote on an annual basis. The Governance Committee may put forth one or more names of qualified candidates willing to serve as Chair for the purposes of this vote. The Chair must be a current Trustee and may not be a staff member of a Regional Association. The Chair's term shall be for one year, subject to renewal by majority vote on an annual basis for a maximum

of three consecutive terms. The Chair may continue to serve as a Trustee thereafter and may be re-nominated and re-elected again after a one year hiatus in his/her tenure as Board Chair for a maximum of two additional terms.

8.2 **Role and Responsibilities:**

- 8.2.1 **Annual Board Calendar and Meeting Agendas:** Develops the annual Board calendar and meeting agendas in accordance with s. 7.3. Ensures that Trustees receive pre-reading materials, presentations and committee updates in the meetings that provide them with the information necessary to make decisions on the agenda items and feel well-informed in terms of fulfilling their oversight responsibilities as Trustees.
- 8.2.2 **Leads/Facilitates Board and Executive Committee Meetings:** Leads and facilitates all Board meetings and meetings of the Executive Committee – keeping the meetings on track, on topic and at a governance/oversight level, drawing out different perspectives from among the Trustees, members of management and any consultants or advisors attending the meetings, and guiding the Board and/or Executive Committee to a consensus decision or recommendation.
- 8.2.3 **In Camera Sessions:** Presides at “in camera” sessions of the Board of Trustees and the Executive Committee (where neither the CEO nor any other member of management is present). Following each “in camera” session, the Chair will debrief with the CEO on key issues raised therein, at all times respecting the confidentiality of Trustee comments made in executive sessions so that individual comments are not provided in this debrief.
- 8.2.4 **CEO Relationship:** Communicates regularly with the CEO about key issues impacting the Trust, serving as a sounding board for the CEO and identifying for him/her any Board concerns, questions or other matters that he/she believes should be addressed either by inclusion on a Board or Committee agenda, a special meeting or by efforts on the part of the CEO and management between meetings. Fulfilling this responsibility effectively requires the Chair being able to make him/herself available to the CEO on a regular basis.
- 8.2.5 **Coordination with Committee Chairs, Vice Chair and other Trustees:** Regularly checks in with the Committee Chairs to determine if any Committee recommendations need to be included in the Board meeting agenda or if any other Trustee has an item that he/she believes should be included on a Board or Committee agenda. Serves as a point of contact for Trustees with any concerns regarding the operation of the Trust and for any Whistleblower contact by employees; follows up with any such matters to see that they are addressed appropriately.

Vice-Chair

- 8.3 **Selection and Terms:** The Board of Trustees shall also select a Vice-Chair by majority vote on an annual basis. The Vice-Chair's term shall be for one year subject to renewal by majority vote for a maximum of three consecutive terms.
- 8.4 **Role and Responsibilities:** The Vice-Chair shall chair meetings of the Board and the Executive Committee – and “in camera” sessions thereof – in the absence of the Chair. The Vice-Chair shall also assist the Chair in coordinating with Committee Chairs and Trustees for input on agenda items and other issues that should be brought before the board or that the CEO should be made aware of. He/she shall also be identified as a point of contact for any Whistleblower concerns.

Committee Chairs

- 8.5 **Roles and Responsibilities:**
- 8.5.1 Develops Committee meeting agendas in collaboration with the Chair, CEO and management to ensure that the Committee fulfills its mandate and addresses other important items within the committee's scope of responsibility;
 - 8.5.2 Ensures that Committee members receive pre-reading materials and presentations that enable them to address and make appropriate recommendations relative to agenda items and that the Committee receives good support from any internal executives and any external consultants or advisors that support the Committee's work;
 - 8.5.3 Facilitates effective Committee meetings – keeping the meetings track and on topic, drawing Committee members into the dialogue, drawing appropriately on the views and expertise of management and any consultants/advisors attending the Committee meeting and guiding the Committee to consensus decisions for its recommendations to the full Board and other steps required to fulfill the committee's mandate;
 - 8.5.4 Provides timely updates to the full Board on the Committee's work and recommendations.

Board Secretary

- 8.6 **Selection and Terms:** On an annual basis, the board shall elect a Trustee to serve as Board Secretary, upon the recommendation of the Governance Committee.
- 8.7 **Role and Responsibilities:** The Board Secretary is responsible to ensure the integrity of the Board's documents and to make sure all filings are timely and accurate. The Board's documents include: governance policies, pre-reading materials and presentations made to the Board, the annual budget and quarterly financial reports, Board and Committee minutes, any reports of external auditors or third party consultants presented to the Board or any Board Committee (including the audit report) and Board attendance records. Expectations of the Board Secretary are as follows:
- 8.7.1 **Meeting Materials:** The Board Secretary will ensure that BCCA and Regional CSO Reports are received at the Trust's office at least 10 days prior to the any Board

meeting date. These are to be written reports for the purposes of identifying relevant trends (political, social, economic, industry or other) being experienced or noticed that may potentially impact the Trust and its business.

- 8.7.2 **Pre-Reading Materials:** The Board Secretary will work with management to ensure that Trustees receive or have access to the pre-reading materials for the Board and Committee meetings a minimum of [7 days?] prior to the scheduled meeting(s) and will have access to accurate and up to date board documents at each meeting;
- 8.7.3 **Board and Committee Minutes:** That Board and Committee meeting minutes will be handled as follows:
- a) Minutes will be taken at all official Board and Committee meetings, including those conducted by teleconference or videoconference;
 - b) Proceedings will be taped and transcribed;
 - c) Draft Board minutes will be sent to the entire Board for review and feedback. Draft committee minutes will be sent to all Committee members for review and feedback. Both shall be done in a timely manner;
 - d) Approved board minutes will be signed by the Board Chair and Board Secretary. Approved Committee minutes will be signed by the Committee Chair and Board Secretary.
 - e) Approved Board minutes will be sent to all Trustees for their records while approved Committee minutes will be sent to all Committee members.
 - f) Signed minutes will be placed in the official Board file and available for review by the external auditor.
- 8.7.4 **“In Camera” Meeting Minutes:** Minutes of any “in camera” sessions of the Board shall be handled as followed:
- a) Minutes will be taken only when a motion has been passed;
 - b) Draft minutes will be sent to the entire Board for review and feedback in a timely manner;
 - c) Approved minutes will be signed by the Board Chair and Board Secretary;
 - e) Signed minutes will be placed in a sealed envelope and stored in the Board Secretary’s office. They may be provided for review by the external auditor.

The Board will ensure that it regularly reviews and clarifies its expectations (format, level of detail, timeliness, etc.) for the preparation of Board documents (policies, minutes, etc.) and communicates this to the Board Secretary.

9.0 Board Composition and Trustee Code of Conduct

- 9.1 **Board Composition/Trustee Nomination:** The BCCA President and the four Regional CSOs shall serve as Trustees in an Ex-officio capacity. In addition, up to 4 private members shall be sourced and nominated by the Regions. Candidates for Trusteeship must be a Regional Association member in the benefits program and a senior member of his/her company. Furthermore, the BCCA and the EBT Board of Trustees shall source and nominate two (2)

Trustees; one, an EBT plan member in the position of Trustee-at-Large and a second, a Subject Matter Expert, waiving any requirements for this Trustee with respects to being a Regional Construction Association and an EBT plan participant. The Governance Committee shall present a slate of Trustee nominees to the full Board for review and approval.

Nominees endorsed by the Board will be put forward for election at the AGM in February.

9.2 **Size of the Board:** The Board should consist of an appropriate number of Trustees of no more or less than 11 members, as determined by the Trust Agreement. The size should balance the need for diverse perspectives with the ability to operate efficiently.

9.3 **Deemed Resignation:** A Trustee is considered to have resigned if he/she has been absent from two consecutive meetings or three meetings over the course of one year without just cause. In the event that a Trustee changes his/her permanent employment, he/she is expected to submit a resignation for consideration by the Governance Committee which will typically accept the resignation other than in exceptional circumstances.

9.4 **Trustee Code of Conduct:** The following are expectations of all Trustees:

9.4.1 **Fiduciary Duty:** Trustees have a fiduciary duty to act in the best interests of the Trust, its owners and participating employees, putting this fiduciary duty ahead of the interests of any home organization from which they have been selected. Their loyalty to the Trust and its owners must supersede any loyalties to staff, other organizations and any personal interest as a consumer.

9.4.2 **Ethics and Business Decorum:** Trustees are expected to demonstrate integrity and ethics both inside and outside of the boardroom and to conduct themselves with appropriate business decorum when acting as Trustees.

9.4.3 **Attendance:** Trustees are expected to attend all meetings of the Board and of Board Committees that they serve on. Attendance may be in person, by teleconference, video-conference, Skype or similar web-based services.

9.4.4 **Preparation:** Trustees are expected to come to Board and Committee meetings fully prepared – having reviewed the agenda and all pre-reading/briefing materials provided in advance.

9.4.5 **Engagement:** Trustees should be fully engaged in the meetings and limit their use of iPads in the meetings only to Board-related issues and avoid distractions of other electronic devices

9.4.6 **Confidentiality:** Trustees will respect the confidentiality appropriate to issues of a sensitive nature.

9.4.7 **Express Views Openly, Respectfully:** Trustees should express their views openly and respectfully in the Board and Committee meetings – not wait until the “meeting after the meeting”. Questions and comments should be made in a manner that demonstrates consideration and respect for other or different views on the part of the CEO, management and fellow Trustees.

9.4.8 **Accept the Board’s Decision:** Trustees shall support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the Trustee’s personal position on the issue.

- 9.4.9 **Keep Abreast of Industry Issues:** Trustees are expected to make efforts to keep abreast of issues in the construction industry, the insurance/benefits industry and the general economy that have an impact on the organization.
- 9.4.10 **Serve as Organizational Ambassadors:** Trustees are expected to serve as ambassadors for the organization in the business and construction community – encouraging them, as appropriate, to consider using the Trust for their employee benefits’ needs and making appropriate connections with the CEO and management to explore business opportunities.
- 9.5 **Conflicts of Interest:** Trustees must avoid conflicts of interest with respect to their fiduciary responsibilities. Specifically:
- 9.5.1 Trustees shall disclose their involvement with other organizations, vendors or any associations that might be or might reasonably be seen as a conflict.
- 9.5.2 It is incumbent on any Trustee who believes that he/she may have a conflict of interest to disclose the full details of the situation to the Chair of the Board immediately, who will refer the matter to the Governance Committee. The Committee will review the situation and decide what action is appropriate under the circumstances; at a minimum, the matter will be tabled at the next regular Board meeting.
- 9.5.3 Trustees will not use their positions to obtain employment in the organization for themselves, family members or close associates. Any Trustee who applies for employment with the Trust must first resign from the Board.
- 9.5.4 No Trustee shall make any personal financial gain (direct or indirect) because of his position as a Trustee. However, expenses incurred in the discharge of responsibilities as a Trustee will be reimbursed according to the expense reimbursement policy outlined in s.9.5.
- 9.5.5 No Trustee shall accept a gift or other personal favor from any person with whom the Trustee has dealings in his/her capacity as a Trustee without prior disclosure to the Chair or the Chair of the Governance Committee, unless the gift is of a nominal value of \$100 or less.
- 9.5.6 The Board Secretary shall record any declared conflicts of interest in the minutes.
- 9.6 **Trustee Compensation and Expense Reimbursement Policy:** Trustees shall not receive any monetary compensation for their service on the Board of the BCCA EBT. Expenses relating to service as a Trustee shall be reimbursed according to the following policy:
- 9.6.1 **Reimbursable Expenses:** These shall include reasonable hotel and meal costs incurred as a result of board meetings and other Trust business. Travel expenses will be reimbursed at economy airfare or mileage at the current government prescribed rate. Other reimbursable expenses include parking, taxi or ground transportation and similar out-of-pocket expenses. Receipts must be provided for all reimbursable expenses.

- 9.6.2 **Expense Reimbursement Process:** Trustees should submit the expense form(s) directly to the BCCA EBT office within 30 days of travel. All original receipts must be accompanied with the form. An expense form is included in Dropbox under Section 3 – Board Policies – folder.

10.0 Governance Budget

A Governance Budget will be included in the Trust’s annual budget to cover expenses relating to:

- 10.1 **Directors’ and Officers’ liability insurance;**
- 10.2 **The retention of external auditors,** consultants and advisors to work with management, the Board and Board Committees in fulfilling their roles and responsibilities, as outlined in s.3 and s.5 herein.
- 10.3 **Allocations for expense reimbursements** for Trustees to attend Board meetings, training, conferences and workshops considered appropriate for the fulfillment of their responsibilities and for professional development.
- 10.4 **Any internal board education programs** or speakers for professional development.
- 10.5 **Other administrative costs** (stationary supplies, website, etc.) of operating the board.