



Economic Trust of  
the Southern Interior

# Bylaws and Board Policies

Adopted April 2021

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# Section 1.0

## Bylaws

## 1.0 BYLAWS

### DEFINITIONS

In these Bylaws of the Trust and in all Policies of the Trust, the following words mean:

- a) “Act” means the Southern Interior Development Initiative Trust Act, SBC 2005, c. 39 as amended or replaced from time to time.
- b) “Annual Inaugural Meeting” has the meaning set out in these Bylaws.
- c) “Annual Report” means the annual report described in Section 15 of the Act.
- d) “Board” means all of the Directors of the Trust acting pursuant to a quorum.
- e) “Bylaws” means the current version of the Bylaws of the Trust, as amended from time to time.
- f) “Chair” means the Chair of the Board of Directors appointed in accordance with these Bylaws.
- g) “Chief Executive Officer” means the employee responsible for managing the operations and administration of the corporation. The Chief Executive Officer reports to the Board and is the Board’s only direct report.
- h) “Directors” means the Directors of the Trust appointed in accordance with the Act, and “Director” means any one of them.
- i) “ETSI-BC” means the corporation Southern Interior Development Initiative Trust doing business as Economic Trust of the Southern Interior (ETSI-BC).
- j) “Finance Committee” means a committee of Directors, the members of which are appointed at the Annual Inaugural Meeting with the terms of reference set out in the Board’s Finance Committee Policy as drafted and amended from time to time.
- k) “Lieutenant Governor in Council” means the Lieutenant Governor in Council of British Columbia.
- l) “Executive Committee” means a committee of Directors, the members of which are appointed at the Annual Inaugural Meeting and has the terms of reference set out in the Board’s Executive Committee Policy as drafted and amended from time to time.
- m) “Policies” means all policies adopted by the Directors, as amended or replaced from time to time.
- n) “Regional Advisory Committee” has the meaning assigned to it in the Act.
- o) “Southern Interior” has the meaning of “Southern Interior area” as that term is defined in the Act and its associated Regulation(s).

- p) “Southern Interior Development Initiative Trust” means the corporation established by the Southern Interior Development Initiative Trust Act doing business as (DBA) Economic Trust of the Southern Interior (ETSI-BC).
- q) “Strategic Plan” means the three-year strategic plan for the Trust, including goals for each year, described in Section 14 of the Act.
- r) “The Trust” means the corporation established by the Southern Interior Development Initiative Trust Act doing business as (DBA) the Economic Trust of the Southern Interior (ETSI-BC).
- s) “Vice Chair” means the Vice Chair of the Directors appointed in accordance with these Bylaws.

## BYLAW VERSION

This is Version 7 of these Bylaws, which regulate the proceedings of the Southern Interior Development Initiative Trust (ETSI-BC). All previous versions of these Bylaws are revoked upon passing of the motion to adopt this new version.

## DIRECTORS

### 1. Directors

The qualifications, appointment procedures, term lengths and removal process for the Directors are set out in the Act.

### 2. Appointment of Directors

The Directors are 13 individuals of whom<sup>1</sup>:

- a) 8 are to be appointed by the Regional Advisory Committees, with each of the 2 Regional Advisory Committees appointing 4 of their number as Directors.
- b) 5 are to be appointed by the Lieutenant Governor in Council.

An individual who is a Member of the Legislative Assembly must not be appointed as a Director<sup>2</sup>.

### 3. Terms of Office

The term of office of Directors is as follows:

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<sup>1</sup> Act, s. 6(2)

<sup>2</sup> Act, s.6(8)



- a) The term for a Director that is appointed by a Regional Advisory Committee is two years<sup>3</sup>. At the end of a term, the Board may request that the director be reappointed for the balance of their elected term of office to a maximum of eight consecutive years.
- b) The term for a Director that is appointed by the Lieutenant Governor in Council is three years<sup>4</sup>. At the end of a term, the Board may request that the director be reappointed for another term to a maximum of six consecutive years.
- c) On or before the expiry of the term of any Director, the Regional Advisory Committee or the Lieutenant Governor in Council responsible for the appointment of such Director, shall appoint a replacement and must promptly notify the Directors of those replacement appointments<sup>5</sup>.

#### 4. Vacancies among Directors

A Director ceases to hold office when<sup>6</sup>:

- a) the Director's term of office expires, or
- b) the Director ceases to be a member of the Regional Advisory Committee by which they were appointed, or
- c) the Director dies, resigns or is removed from office.

If one of the Directors ceases to hold office, a replacement for that Director must be appointed in the same manner as that Director was appointed<sup>7</sup>.

A replacement Director appointed under this section holds office until the end of the term of the Director they replaced<sup>8</sup>. This Director may be reappointed at the end of their term either by the Regional Advisory Committee or the Lieutenant Governor in Council. Term limits will apply.

If there is a vacancy on the Board, the remaining Directors shall evaluate the existing composition of the Board and recommend any competencies and skill sets that should be considered by the Regional Advisory Committee or the Lieutenant Governor in Council in the selection of Directors.

#### 5. Removal and Replacement of Directors

A Regional Advisory Committee may remove and replace, in accordance with any procedures it has established for that purpose, any Director it has appointed to the ETSI-BC Board<sup>9</sup>.

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<sup>3</sup> Act, s. 6(3)

<sup>4</sup> Act, s. 6(3)

<sup>5</sup> Act, s. 6(5)

<sup>6</sup> Act, s. 9(1)

<sup>7</sup> Act, S. 9(2)

<sup>8</sup> Act, s. 9(3)

<sup>9</sup> Act, s.6(4)

The Lieutenant Governor in Council may remove and replace any Director the Lieutenant Governor in Council has appointed to the ETSI-BC Board<sup>10</sup>.

If a Director is removed and replaced, the Regional Advisory Committee or the Lieutenant Governor in Council, as the case may be, must promptly notify the Directors of the replacement appointment. The term of office of the replacement Director is the remainder of the term of the Director they replaced<sup>11</sup>.

A Director may be removed as, and ceases to be, a Director on the passing of a resolution to that effect by all the remaining Directors<sup>12</sup>. The remaining Directors will ordinarily consider a motion to remove a Director if that Director misses two or more consecutive regular board meetings in any calendar year.

An act or proceeding of the Directors is not invalid merely due to fewer than 13 Directors being in office or in attendance<sup>13</sup>.

## 6. Remuneration of Directors

A Director must not accept remuneration from the corporation other than for reasonable travelling and out of pocket expenses necessarily incurred by the Director in discharging their duties, as outlined in the Trust's Expense Reimbursement Policy<sup>14</sup>.

## MEETINGS

### 7. Meetings

With the exception of the public meeting, which is held annually, Board meetings will not be open to the public, but the board may receive presentations during the day of the meeting subject to notice and approval by the Chair.

Meeting procedures are set out in this Bylaw and in the Policies, subject to provisions of the Act.

Board meetings may be conducted by means of audio, visual and audio, electronic or other communications facilities that permit all participants to communicate with each other or otherwise participate in the proceeding simultaneously, in a manner comparable to a meeting where all were present in the same location, and in relation to a vote, permits Directors to cast a vote in a manner that adequately discloses the intentions of the voters.

The Board of Directors of ETSI-BC has the following types of meetings:

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<sup>10</sup> Act, s. 6(4)

<sup>11</sup> Act, s. 6(5)

<sup>12</sup> Act, s. 6(6)

<sup>13</sup> Act, s. 6(7)

<sup>14</sup> Act, s. 13(2)

**a) Regular Board Meetings**

Regular board meetings will occur at least four times per year, including one public meeting annually at such date and location deemed appropriate by the Board.

All regular board meetings shall generally take place in the City of Kelowna, at such times as the Chair may determine, and notice of such meetings shall be provided by email to each Director at least one week in advance.

**b) Special Board Meetings**

Special board meetings may be held at such time and places as the Chair may determine to discuss issues or time sensitive topics that need a Board decision before the next regular board meeting. Resolutions may be passed at special board meetings.

Any seven Directors of the Trust may at any time, by notice in writing directed to the Chair, require a special board meeting to be called, and the Chair shall within two weeks set a date for a meeting which shall be held no later than thirty days from the date of such notice directed to the Chair.

Issues identified by the Chair or Chief Executive Officer that are of a time sensitive nature may be decided via email or digital poll between meetings. Resulting decisions and actions must be presented to the Board for ratification and inclusion in the minutes at the next duly convened regular board meeting.

**c) Committee Meetings**

Committee meetings will be held in such times and places the committee chair determines. Standing committees (Executive and Finance) require a formal agenda and minutes.

**8. Annual Inaugural Meeting**

The Annual Inaugural Meeting will be held no later than July 15 of each year. At the Annual Inaugural Meeting:

- a) The Directors shall elect one of their number as Chair and one of their number as Vice Chair. A Director may hold the office of Chair or Vice Chair for a maximum of 3 consecutive years.
- b) The Directors shall establish an Executive Committee which will be comprised of the Chair, Vice Chair, Chair of the Finance Committee and one other Director elected by the Board. The Chief Executive Officer will be an Ex Officio member of the Executive Committee.
- c) The Directors shall elect a Finance Committee comprised of a Finance Committee Chair and three additional members elected by the Board. The Chair of the Board and the Chief Executive Officer will be Ex Officio members of the Finance Committee.
- d) The Audited Financial Statements and Annual Report will be approved.
- e) The Auditor for the following fiscal year will be appointed.

## 9. Quorum

A majority of the Directors constitutes quorum for the transaction of the business of the Trust. If quorum is lost during a meeting, no decision will be made although the remaining Directors may continue with the agenda and make recommendations for issues to be decided upon later via electronic vote.

## 10. Minutes

The minutes of the proceedings of all meetings of the Trust shall be drawn up and entered in a book to be kept for that purpose. Minutes will be circulated for review and adopted at the next regular meeting and signed by a member of the Executive Committee.

## 11. Opening Proceedings

Call to Order: As soon after the hour of the meeting as there shall be a quorum present, the Chair shall call the Directors to order.

Non-Attendance of Chair: In the event the Chair or Vice Chair does not attend within fifteen minutes after the time appointed for the meeting, the directors present shall choose a chair to preside during the meeting or until the arrival of the Chair or Vice Chair.

No quorum after fifteen minutes – adjournment: In the event there shall be no quorum present within fifteen minutes after the time appointed for the meeting, the recording secretary shall record the names of the Directors present and the meeting shall then stand adjourned.

## 12. Duties of the Chair and Vice Chair

The Chair, if present, shall preside at all meetings of the Trust and shall have voting rights. The Vice Chair shall assume the duties and responsibilities of the Chair during the Chair's absence.

## 13. Agenda

The Chief Executive Officer shall distribute to the Directors, prior to each board meeting, an agenda outlining the business to be transacted at the meeting, as agreed upon in advance with the Chair, and shall include at a minimum:

- The minutes from the previous meeting
- Committee Reports
- Investment Portfolio update
- Financial Reports
- CEO report.

The Chair shall have the right to add items of business if in their opinion such additional items shall be in the best interests of the Trust.

## 14. Resolutions

All Bylaws and resolutions of the Trust must be moved and seconded and shall be decided by a majority of the votes of the Directors who are at the meeting and entitled to vote thereon. Each Director will have one vote.

Electronic vote decisions require a majority of the Board.

A resolution that is approved in writing or by electronic means by a majority of the Directors is as valid as if it were passed at a meeting of the Directors properly called and constituted. Telephone or video conference meetings must include minutes. Resolutions passed in writing, via email, or by electronic poll must be recorded in the minutes at the next duly convened meeting of the Board.

Subject to the Trust's Conflict of Interest policies and procedures, every Director, including the Chair, who abstains from voting shall be deemed to have voted in the affirmative, except where a Director has declared a conflict of interest or potential conflict of interest and does not vote. If quorum is lost through this abstention, the provisions of Section 9, Quorum, apply.

If a Director disagrees with a particular course of action and is not content to have the record imply a consensus on the matter, that Director may request that their dissent should be recorded in the minutes.

In the event of a motion to approve multiple items in an agenda as a block, any item included in the block may be removed from the block at the request of a Director. The item removed will require an individual resolution for approval.

In all cases where the votes of the Directors present are equal for and against the question of a motion, the motion shall be deemed defeated.

## ADDITIONAL PROVISIONS

### 15. Appointment of Auditor

On or before the end of each fiscal year, the Trust will appoint an individual who is authorized to be an auditor of a company under section 205 of the Business Corporations Act to audit the accounts, transactions and financial statements of the Trust for the following fiscal year<sup>15</sup>.

Every five years, the Finance Committee may instruct the Chief Executive Officer to issue a Request for Proposal (RFP) to review quotes and services from other audit firms.

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<sup>15</sup> Act, s. 16(1)

## 16. Review of the Act

Every five years from the establishment of the Act, the Directors must appoint a committee of qualified individuals to review the Act and evaluate how it is functioning<sup>16</sup>. The review committee may consult with business, labour, education providers, government and any other person or organization it considers appropriate. The review committee must publish a report of its findings in a public manner<sup>17</sup>.

## 17. Amendment of the Bylaws

The Bylaws shall not be altered or amended except by Resolution passed at a duly convened Director’s meeting. The proposed change(s) to the bylaw must be circulated to the Directors at least 14 days prior to the next meeting. The Bylaws shall be signed by the Chair or by the person legally presiding at the meeting at which the new Bylaws were passed.

### Certification of Bylaws

These Bylaws are hereby adopted and certified by the Directors of the Trust having hereto affixed the Corporate Seal and being signed by the Chair or authorized Director of the Board.

Revised: November 4, 2009 March 7, 2012 March 6, 2017 March 26, 2019 October 2, 2020 April 30, 2021	Signed by the Authorized Signatory of the Board  _____ Signature  _____ Name
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<sup>16</sup> Act, s. 26

<sup>17</sup> Act, s. 26(3)

# Section 2.0

## Board Governance Policies

## 2.0 BOARD GOVERNANCE POLICIES

### 2.1 GOVERNANCE AND BOARD COMPOSITION

#### 2.1.1 Governance Model

The Board is a governance board. The Board develops policy as a whole and has a Finance and Executive Committee with defined mandates. (see Officers and Committees). The Chief Executive Officer is responsible for the implementation of board policy, day to day operations, and management of ETSI-BC.

#### 2.1.2 Due Diligence

An individual is not qualified to become or act as a director of ETSI-BC if they are:

- An employee or contractor of ETSI-BC.
- Under the age of 18 years.
- Found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs.
- Subject to an undischarged bankruptcy.
- Convicted in or out of British Columbia of an offence in connection with the promotion, formation, or management of a corporation or unincorporated business, or of an offence involving fraud.

Board members shall exercise due diligence in carrying out their responsibilities. Board members shall:

- Ensure that practices and decisions are without suspicion and influence, while avoiding any appearance of impropriety, which might raise concerns within the organization or external to the organization. Board members must sign and commit to the Conflict of Interest and Confidentiality Agreement.
- Be informed on the incorporating legislation, bylaws, mission and all policies.
- Ensure that there are effective internal systems in all areas of corporate activity, particularly accounting.
- Be informed on board activities and general trends in community economic development.
- Attend all regular board meetings, be willing to serve on a committee(s) and contribute to the work of the Board.
- Exercise care, diligence and skill that a prudent person would show in similar circumstances.
- Offer personal perspectives on issues, but not represent any community or business interest, but rather the interests of Southern Interior Development Area as a whole.
- Remain unified with fellow Directors in support of a decision that has been made.
- Respect and separate roles of Board and Staff.



### 2.1.3 Fiduciary Duty

Directors have a fiduciary duty to ETSI-BC. The legal rationale for characterizing the Director's relationship with ETSI-BC as fiduciary stems from the need for public confidence that the Board will not manipulate ETSI-BC for their own benefit.

Directors must act honestly and in good faith to represent the best interests of ETSI-BC over those of another person or constituency. Directors must not disclose confidential information regarding ETSI-BC.

ETSI-BC will not insure or indemnify a Director for legal and other costs if a Director breaches their fiduciary duty.

### 2.1.4 Director Competencies

The Board should collectively possess the following core competencies, with each Director contributing knowledge and experience in at least one domain.

- a) Leadership
- b) Financial Literacy
- c) Business Strategy
- d) Board governance
- e) Sectors outlined in the SIDIT Act
- f) Local government
- g) First Nations economic development
- h) Community economic development
- i) Small business support

**Adopted:** April 30, 2021

## 2.2 OFFICERS AND COMMITTEES

### 2.2.1 Board Officers

Board officers are considered to be in the service of the Board and shall only act in place of the Board when acting together as an Executive Committee in accordance with the bylaws and as delegated by the Board through policy. Board officers include: Chair, Vice Chair, and Finance Committee Chair.

### 2.2.2 Board Chair

The role of the Chair is to ensure the integrity of the Board processes through the following actions:

- a. Leadership of the Board, ensuring that the Board is properly informed about the operations of ETSI-BC and has the information and opportunity necessary to make decisions on matters within its purview.
- b. Providing feedback to the Chief Executive Officer regarding board decisions and to ensure the provision of accurate, timely and clear information in the board packages to Directors, ensuring that they can operate effectively at board meetings.
- c. Setting agendas for meetings collaboratively with the Chief Executive Officer. The Chair shall schedule board meetings in conjunction with the Chief Executive Officer. The Chair shall ensure that the Board follows the bylaws and policies and shall manage meetings through appropriate meeting administration practices. The Chair does not have the authority to make decisions outside the bylaws or the parameters of policies created by resolution of the Board.
- d. Monitoring meeting attendance. The Chair will discuss capacity and strategy for effective participation on the Board with any board member that does not attend at least three regular meetings (75%) per year.
- e. Representing ETSI-BC to the public, government, media, and other organizations and apprising the Board of the content and results of discussions. The Chair is the only board member authorized to speak on behalf of the Board. This function may be delegated by the Chair to another board member or to the Chief Executive Officer.
- f. Arranging the regular evaluation of the performance of the Board, its committees and individual Directors, and the Chief Executive Officer, as well as feedback on the effectiveness of the Chair.
- g. Setting a positive tone in the relationship between the Board and staff.
- h. Ensuring separation and “perception of separation” between the role of the Chair and that of the Chief Executive Officer. The Chief Executive Officer is responsible for the day-to-day operations and management of ETSI-BC.

### 2.2.3 Vice Chair

The role of the Vice Chair is to assume the duties of the Chair during their absence.

## 2.2.4 Executive Committee

The Executive Committee consists of the Chair, Vice Chair, Finance Committee Chair, and one other Director elected by the Board. The Chief Executive Officer is an Ex Officio member of the Executive Committee. The Board Chair is also Chair of the Executive Committee.

The mandate of the Executive Committee is to make decisions and provide feedback that cannot wait for the next board meeting. Any decisions made by the Executive Committee must be ratified at the next board meeting.

The Executive Committee acts only under the authority and direction of the Board.

The Executive Committee shall not be involved in operational aspects of ETSI-BC, and shall not exercise authority over staff, but shall advise and be informed by the Chief Executive Officer. The Chief Executive Officer is responsible for the execution of board policy and directives, and for determining the means, organizational structure and management processes necessary to achieve ETSI-BC's objectives.

The Executive Committee has discretion to:

- a. Provide operations advice to the Chief Executive Officer when requested by the Chief Executive Officer.
- b. Deal with matters referred from time to time by the Board.
- c. Coordinate the Chief Executive Officer's annual performance review.
- d. Authorize increases to the annual operating budget of less than 10% per annum with supporting documentation provided by the Chief Executive Officer, providing the Board is informed at the next meeting.
- e. Deal with issues referred by the Chief Executive Officer that are of a politically sensitive or time sensitive nature. Resulting decision and actions will be presented to the Board for ratification at the next duly convened board meeting.
- f. Approve Director expense claims that are not within expense policy of the Board.
- g. Have its members be designated as signing authorities for the corporation.

## 2.2.5 Finance Committee

The Finance Committee consists of four Directors elected by the Board. The Chief Executive Officer and the Chair of the Board are Ex Officio members of the Finance Committee. The Board will elect the Finance Committee Chair and Members at the Annual Inaugural Meeting. The Finance Committee Chair will report to the Board at each meeting on recommendations and results of committee deliberations. Requests for organizational resources or staff time will be directed through the Chief Executive Officer.

The Finance Committee members must be able to read and understand fundamental financial statements, including the balance sheet, income statement and cash flow statement (or be able to do so within a reasonable period after appointment to the Finance Committee).

The mandate of the Finance Committee is to be the Board's primary liaison with the Auditors and Investment Management Firm.

The Finance Committee acts only under the authority and direction of the Board.

The Finance Committee shall not be involved in operational aspects of ETSI-BC, and shall not exercise authority over staff, but shall advise and be informed by the Chief Executive Officer

The Finance Committee has discretion to:

- a. Draft and recommend investment policy to the Board. The Finance Committee shall develop the Statement of Investment Policies and Procedures in collaboration with staff and the appointed Investment Management Firm.
- b. Recommend the Investment Management Firm to the Board for ratification and advise the Chief Executive Officer on the general terms of a contract. Every 5 years, the Finance Committee and Executive Staff will conduct a search for an Investment Management Firm and report to the Board on the results, and any contract that the Chair of the Finance Committee and the Chief Executive Officer enter into with clarity on fee structure, duration, and services provide by the Management Firm.
- c. Review the results of the investment portfolio and compliance with the SIPP and prepare a report for the Board of Directors.
- d. Ensure that "Directors and Officers Liability Insurance" are kept in good standing by ETSI-BC.
- e. The committee shall not be involved in operational aspects of ETSI-BC, and shall not exercise authority over staff, but shall advise and be informed by the Chief Executive Officer
- f. Recommend a person who is authorized to be an auditor of a company under section 205 of the Business Corporations Act to audit the accounts, transactions, and financial statements of ETSI-BC, and advise the Chief Executive Officer on the general terms of a contract. Review recommendations for the appointment and compensation of the external auditor.
- g. Review the auditor's report. Review the financial information that will be provided to government and other stakeholders and ensure that this information accurately represents the business activities of the organization.
- h. Identify education required by the Board and/or the Finance Committee on investment risk, strategic economic trends, new asset classes and investment instruments. The Chief Executive Officer shall ensure access to education as identified.
- i. Review the systems of risk management and the internal controls established by management to:

- i. Ensure the organization's sound financial performance.
- ii. Ensure that the organization's internal controls have integrity and will lead to the production of accurate financial statements and performance reports.
- iii. Ensure that appropriate systems are in place to identify and manage risk.
- iv. Prevent financial mismanagement.
- v. Evaluate internal controls and make recommendations to the Board on their effectiveness.

**Adopted:** April 30, 2021

## 2.3 FINANCIAL ACCOUNTABILITY

ETSI-BC's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal statutes and regulators.

The annual financial report (Annual Report) will be factual and accurate in all material respects. The Annual Report will be prepared using Canadian accounting standards for not-for-profit organizations in all material respects.

The Annual Report will disclose:

- a. A complete set of financial statements including a balance sheet, income and expenses, project disbursements, cash flow and notes to the financial statements.
- b. Operational expenses as a percentage of the average assets during the operating year.
- c. Approved projects and measurable economic benefits.

**Adopted:** April 30, 2021

## 2.4 CONFLICT OF INTEREST AND CONFIDENTIALITY

For the purpose of clarity in this Policy section, the following definitions apply:

“Conflict of Interest” occurs when a Board member, Regional Advisory Committee member, staff, or consultant of ETSI-BC has an actual or perceived Personal Interest where it would be reasonable to assume that their ability to act in the best interest of ETSI-BC could be impaired or that the actions or conduct could undermine confidence that they fulfilled their responsibilities with integrity.

“Personal Interest” includes any interest in a matter that could benefit a Board member, Regional Advisory Committee member, staff, or consultant or a Related Person in their private activities, relationships, or benefits unless that interest is one that the person has in common with the general public.

“Related Person” includes a spouse (including common law and same-sex spouses), parent, children, grandchildren, siblings, grandparents, in-laws (including adoptive and step-relationships), any person with whom the Board Member currently resides, or any controlled corporation.

### 2.4.1 Conflict of Interest

Board members, Regional Advisory Committee members, staff, and any consultants must avoid exercising their official powers or performing an official duty when, they know (or ought to know) that their Personal Interests are in a Conflict of Interest with the best interests of ETSI-BC. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

Board members, Regional Advisory Committee members, staff, and any consultants, must be informed and have expertise in ETSI-BC’s field of interest. Therefore, it is anticipated that they may be associated with organizations that, from time to time, may apply for funding.

Board members, Regional Advisory Committee members, staff, and consultants, having a direct or indirect interest in an applicant organization, or who may, directly or indirectly, benefit from a decision of the Board or the Regional Advisory Committee shall declare their interest and absent themselves from any discussion concerning the application.

Conflict of Interest also includes being the author of an application or being on the board, an elected official, or an employee of the organization applying for funding.

While it is recognized that Board Members and Regional Advisory Committee members work for or have associations with organizations relevant to the work of ETSI-BC, Board members and Regional Advisory Committee members are elected/appointed to represent the interests of the entire Trust area, and not as representatives of other organizations, or specific local governments.

Board members, Regional Advisory Committee members, staff, and consultants, must not use information obtained in the performance of duties and that is not available to the general public to further their Personal Interest, or for any purpose other than for the performance of their duties.

Board members, Regional Advisory Committee members, staff, and consultants shall notify the Chief Executive Officer of Personal Interest, in any enterprise which proposes to transact business with ETSI-BC or of any Personal Interest in any property that will be, or is the subject of, an application to ETSI-BC.

Board members, Regional Advisory Committee members, and staff must disclose their Personal Interests that could result in a Conflict of Interest, by signing the Conflict of Interest Declaration, upon their appointment and annually thereafter.

If a Board member, Regional Advisory Committee member, staff, or consultant has disclosed an actual or potential Conflict of Interest, the disclosing individual must:

- a. Not participate in the discussion of the matter, except where information may be requested by the Board.
- b. Not participate in any vote or decision-making on any question in respect of the matter.
- c. Leave the meeting or the part of the meeting during which the matter is under consideration.
- d. Not attempt, in any way, whether before, during, or after the meeting, to influence the opinion or vote of the Board on any question in respect of the matter.

### 2.4.2 Confidentiality

Directors shall hold in strictest confidence all matters addressed by the Board during in-camera meetings and matters relating to personnel. The duty of confidentiality continues indefinitely after a Director has left the Board. A confidentiality agreement will be signed by all Directors, staff and consultants of ETSI-BC. All Regional Advisory Committee members shall also sign the confidentiality agreement.

Applications are submitted to ETSI-BC to allow staff, consultants, Regional Advisory Committees and the Board to determine the qualifications of the applicant organization and the project for which funds are requested. This information must remain confidential.

Board members and Regional Advisory Committee members shall not disclose the committee's deliberations or the recommended outcome prior to the authorization of the Board and Chief Executive Officer. The outcome of the funding application will be communicated by the Chief Executive Officer.

### 2.4.3 Freedom of Information and Protection of Privacy Act

The Board and staff of ETSI-BC are required to comply with the provincial Freedom of Information and Protection of Privacy Act. ETSI-BC shall designate a Privacy Officer for the organization. All requests for information from the public must be directed to the Privacy Officer. The Privacy Officer shall work with the Chief Executive Officer to ensure that informal requests are compiled within a timely manner (within



30 days), and in accordance with the Act and regulations and this policy. Care will be taken in the handling of public information requests to ensure that staff is responsive, and that more formal written requests including the Freedom of Information Commissioner and legal processes are not the norm. Where information cannot be released in keeping with the Act and generally for one of the reasons below, the Chief Executive Officer will communicate in writing with the party requesting the information.

Regional Advisory Committees are part of ETSI-BC structure by legislation, and their minutes are also subject to release if a request is received after the Regional Advisory Committee has approved them. All Board and Regional Advisory Committee minutes shall reflect decisions only, and not discussion.

The cost of information requests that require more than minimal staff time for data assembly will be billed to the requestor, consistent with Provincial legislation.

**Adopted:** April 30, 2021

## 2.5 CODE OF CONDUCT

Board members are expected to:

- a. Attend all regular board meetings. If unable to attend in person:
  - i. Regrets are to be communicated to the Chair, copying the CEO and Program Administrator, along with an indication of support for proposed motions and input on topics for discussion.
  - ii. Telephone or video conferencing will be available for board members unable to attend a regular board meeting, special board meeting, or committee meeting in person.
- b. Follow generally accepted meeting rules of order.
- c. Know the corporate mandate, mission, vision and objectives, operations. and bylaws.
- d. Act objectively and in the best interest of ETSI-BC.
- e. Prepare for board meetings and committee meetings by reviewing all agenda material including reports.
- f. Keep careful notes at meetings to support review and approval of meeting minutes (in camera notes should be kept confidential and destroyed when official minutes are approved).
- g. Act consistently with policy to avoid conflict of interest and maintain board confidentiality.
- h. Act with collaboration, consensus building, respect for others, and principle-based behaviour.
- i. Ensure that the Board communicates with one voice and based on formal board decisions only.
- j. Ensure that all board discussions remain confidential.

**Adopted and Updated:** April 30, 2021, December 2, 2022

## 2.6 WHISTLEBLOWER POLICY

In keeping with the policy of maintaining the highest standards of conduct and ethics, ETSI-BC will investigate any suspected fraudulent or dishonest use or misuse of ETSI-BC's resources or property by staff, board members, consultants or volunteers. ETSI-BC will also investigate any reports of bullying or harassment.

Staff, board members, consultants and volunteers are encouraged to report suspected conduct (i.e., to act as "whistleblower").

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the organization prior to seeking resolution outside the organization.

### 2.6.1 Types of Allegations

A deliberate act or failure to act with the intention of obtaining an unauthorized benefit or acts which constitute bullying or harassment.

Examples of such conduct include:

- Forgery or alteration of documents.
- Unauthorized alteration or manipulation of computer files.
- Fraudulent financial reporting.
- Pursuit of a benefit or advantage in violation of ETSI-BC's Conflict of Interest Policy.
- Misappropriation or misuse of ETSI-BC resources, such as funds, supplies, or other assets.
- Authorizing or receiving compensation for goods not received or services not performed.
- Authorizing or receiving compensation for hours not worked.
- Using remarks or actions of a sexual nature that are not welcome and are likely to be viewed as personally offensive, including sexual flirtations, unwelcome physical or verbal advances, sexual propositions, verbal abuse of a sexual nature, the display of sexually suggestive objects, cartoons, or pictures, and physical contact of a sexual or particularly personal nature.
- Using epithets, slurs, negative stereotyping, and threatening, intimidating, or hostile acts that relate to race, color, religion, gender, sexual orientation, national origin, age, or disability.
- Circulating or posting written or graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, nationality, age, or disability.
- Discriminating against an employee or potential employee due to a person's race, color, religion, sex, sexual orientation, national origin, age, physical or mental impairment.

### 2.6.2 Reporting

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property or behavior that constitutes bullying or harassment should be reported to the supervisor. If concerns are

suspected by a volunteer, this should be reported to the staff member supporting the volunteer's work. If the complainant finds it difficult to report the concern to a supervisor or staff member, complaints may be made directly to the Chief Executive Officer.

- a. If the complainant does not feel comfortable filing a report with the Chief Executive Officer, or if the concerns are regarding the Chief Executive Officer, those concerns should be reported to the Chair of the Board if Directors. As well, concerns regarding Board member(s) should be reported directly to the Chair of the Board of Directors.
- b. Concerns regarding the Chair of the of the Board of Directors should be reported to the Vice Chair or the Chief Executive Officer.

Submissions made by mail should be marked "Confidential" on the envelope. Complaints must include the identity of the Complainant. If not, the complaint may not be processed. The Chief Executive Officer, Chair or Vice Chair will document the complaint and ensure all pertinent information has been received from the Complainant.

Unless the Executive Committee or any member of the Executive Committee is the subject of the complaint, the Chief Executive Officer, Chair or Vice Chair, as appropriate, will forward the complaint to the Executive Committee. If the Executive Committee or any member of the Executive Committee is the subject of the complaint, the Chief Executive Officer, Chair or Vice Chair, as appropriate, will forward the complaint to the Finance Committee immediately.

### 2.6.3 Role of the Committees

The Executive Committee or the Finance Committee will receive the complaint and decide what course of action will be taken. If necessary, the appropriate committee will perform an investigation to establish the validity and materiality of the information received. The committee may seek information or assistance and direction from whomever is deemed appropriate including, but not limited to, the Complainant, the subject of the complaint, witnesses, or external legal counsel.

The committee may wish to arrange for a third-party investigation. A third-party investigator may provide additional expertise in questioning witnesses or assessing credibility and weighing evidence.

The Chair of the Board or Directors, Vice Chair or Finance Committee Chair, whoever is deemed appropriate, will notify the Chief Executive Officer or the Chair, as appropriate, of the results of the investigation and its recommendation of any action to be taken.

Should the investigation establish that an individual within the Trust has engaged in improper conduct, immediate and appropriate corrective action will be taken by the Chief Executive Officer or Chair of the Board of Directors and may include termination of employment or services. The Chief Executive Officer or Chair of the Board of Directors, as appropriate, will notify the Complainant of the results of the investigation and any action taken. If the Complainant submitted his or her complaint to the Vice Chair, the Vice Chair, if deemed appropriate, will notify the Complainant directly of the results of the investigation and of any action taken.

The Chair of the Board of Directors or Executive Committee will provide a list of all complaints to the Board of Directors at the next scheduled meeting. All complaints related to accounting or auditing procedures, as well as any other complaints of a serious nature, will be presented to the Board of Directors immediately.

#### 2.6.4 Non-Retaliation

Employees, consultants, board members, and volunteers of ETSI-BC may not retaliate against a whistleblower for informing management about an activity which that person believes to be fraudulent or dishonest. Retaliation includes acting with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, impact on salary/fees, or impact on opportunities for promotion. Whistleblowers who believe that they have been retaliated against may file a written complaint with the Chief Executive Officer (or Board Chair if the complaint involves the Chief Executive Officer). Any complaint of retaliation will be promptly investigated, and appropriate corrective measures taken if allegations of retaliation are substantiated.

This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

Complaints that would be seen by a reasonable person to be frivolous, vindictive, or vexatious shall be subject to disciplinary action.

**Adopted:** April 30, 2021

## 2.7 RISK MANAGEMENT

### 2.7.1 Bylaws

Bylaws and Governance Policies will be reviewed every two years and will be distributed to all Directors with orientation of new Directors.

### 2.7.2 Insurance

ETSI-BC will maintain Directors and Officers Liability Insurance with a limit of liability of no less than \$5 million.

ETSI-BC will maintain enough Commercial Property Insurance coverage to adequately protect its assets, and it will maintain General Liability Insurance with a limit of liability of no less than \$2 million.

Vehicles used by Directors or staff on ETSI-BC business will maintain a minimum of \$5 million in Third Party Liability coverage.

### 2.7.3 Compliance with Statutory and Regulatory Requirements

All annual and strategic plan reporting required by the ETSI-BC Act, Canada Revenue Agency, Companies Act, Freedom of Information and Protection of Privacy Act, and Business Corporations Act will be filed by the Chief Executive Officer and reported to the Board.

### 2.7.4 Corporate Records

The following corporate records will be maintained by ETSI-BC:

- a. Charter documents (Act and Regulations)
- b. Bylaws
- c. Register of addresses, dates of election, appointment/resignation of Directors
- d. Directors and officers
- e. Duplicate filed copies of all government filings
- f. Copies of annual meeting calendar or notice of meetings
- g. Minutes of the Board organized in date order including:
  - i. Appointment, resignation and removal of Directors and Officers
  - ii. Appointment of the auditor
  - iii. Approval of all corporate resolutions
- h. Policies
- i. Copies of financial statements and tax returns

### 2.7.5 Business Continuity Plan

The Chief Executive Officer shall maintain a business continuity plan to protect against computerized or paper records loss, computer hacking, and the event of fire, flood, earthquake, significant health emergency, or other critical incident.

**Adopted:** April 30, 2021

## 2.8 PLANNING

### 2.8.1 Strategic Plan

The Board, with the assistance of staff, shall develop a minimum of a rolling three-year strategic plan for all accounts (see section 14 (1) (2) (3) of the Act). The recommendations of the Regional Advisory Committees will be duly considered by the Board in Regional Development Account strategic planning.

The three-year strategic plan will be shared with the public by March 31st of each year as per the Act.

### 2.8.2 Annual Operating Plan

The Chief Executive Officer shall develop an annual operating plan based on the strategic plan, board policies, and investment financial returns.

The annual operating plan must contain specific objectives, expected results, operational budget, and a general disbursement plan including funding targets per funding stream and maximum funding allocation per project based on the guidance provided by the Strategic Plan. Targets set in the operating plan will be used annually to measure the benefits of ETSI-BC to the economy of Southern Interior Development area.

The Chief Executive Officer shall present the annual operating plan to the Board for review, amendment and approval at the first meeting of the new fiscal year.

### 2.8.3 Annual Report

The Chief Executive Officer shall develop the Annual Report for the previous calendar year and have it adopted by the Board by July 31st of each year. The Annual Report will include the following:

- Goals set by the annual operating plan for the preceding fiscal year, indicating how those goals have been met and how those achievements met the intent of the purposes identified in section 20 of the Act.
- A comparison of actual results with the expected results for the preceding fiscal year. and
- Audited financial statements.

A copy of the Annual Report will be provided to each of the Regional Advisory Committees and will also be posted on the website for the public (see section 14 (1) (2) of the Act).

**Adopted:** April 30, 2021



## 2.9 CHIEF EXECUTIVE OFFICER

### 2.9.1 Appointment and Performance Management

Recruitment, selection, contract negotiation, and appointment of the Chief Executive Officer (CEO) is the responsibility of the Board but may be delegated to a task group of the Board. The Board shall approve an appointment by resolution prior to the position being offered to a candidate.

The Executive Committee shall conduct an annual performance evaluation of the CEO in collaboration with the CEO. The Executive Committee is responsible for negotiating increments to salary.

#### **Performance Evaluation:**

The CEO is the sole official link between the Board of Directors and the organization that it governs. The responsibilities of the CEO lie in the exercise of delegated authority and compliance within parameters established by board planning, policy, and directives.

Prior to the beginning of each fiscal year, the CEO will draft the Annual Operating Plan for that year and present it to the Board.

After the end of each fiscal year, the Executive Committee will undertake a formal evaluation of the performance of the CEO. This evaluation will be structured to assess:

- strategic plan implementation (as operationalized in the Annual Operating Plan),
- responsibilities outlined in the CEO job description,
- and any other directives given to the CEO via board resolution or policy.

Based on this structure, the evaluation will include

- a written self-evaluation of performance by the CEO and
- a written evaluation of CEO performance by Board members.

It may also include feedback from staff and stakeholders.

The Executive Committee will prepare a written evaluation report and will meet with the CEO to discuss the same.

The CEO Job Description will be reviewed regularly to ensure consistency between the role description and board expectations.

#### **Compensation:**

A compensation survey will be conducted at least every 5 years (and may be conducted more often if indicated by market conditions) to ensure CEO compensation supports retention and attraction.

Whenever possible, surveys should be jointly undertaken with other similar organizations to reduce administrative costs.

Cost of Living increases for the CEO will match the increases for all ETSI-BC staff. Merit increases or bonuses will be at the discretion of the board.

Prior to recruiting a new CEO, a CEO hiring procedure will be prepared, which will include (among other things) the establishment of an appropriate salary range informed by a compensation survey. Once hired, the new CEO's employment contract will specify performance expectations and associated salary increases.

### 2.9.2 Termination

The Board as a whole is responsible for terminating the employment contract of the Chief Executive Officer. Dismissal requires two-thirds approval of the Director positions normally filled, regardless of vacancies, at a meeting duly called to consider such action.

### 2.9.3 Executive Authority

The Board of Directors as a group, rather than individual Directors, Officers, or Committees, are responsible for providing direction to the Chief Executive Officer through board policies and resolutions. Board decisions will be communicated to the Chief Executive Officer by the Chair.

#### **Operations:**

The Board delegates responsibility for execution of board policies to the Chief Executive Officer. The Chief Executive Officer is responsible within the parameters established by the Board for determining the methods by which the Board's directions and policies will be executed and the desired outcomes achieved.

All board responsibilities delegated to staff and consultants will be delegated through the Chief Executive Officer so that the authority and accountability of staff derives from the authority and accountability of the Chief Executive Officer.

The Chief Executive Officer is responsible for all recruitment, salary and contract negotiation for staff within the parameters of the annual operating budget. The Chief Executive Officer is responsible for ensuring that annual performance evaluations are completed with all staff.

#### **Financial:**

The Chief Executive Officer is responsible for the delivery of programs. Administrative costs will not exceed the annual operating budget (including any increases authorized by the Executive Committee). The Board will be updated with a financial summary on the operating budget at each meeting. The Board delegates approval authority to the Chief Executive Officer for ETSI-BC funding programs that are included in the Annual Operating Plan. This plan includes funding targets per funding stream and maximum funding allocation per project.

The Chief Executive Officer has been delegated authority to approve applications to these projects only when the following conditions are met:

- a. The scorecard assessment resulting from staff due diligence qualifies the project based on the outcomes identified in the Annual Operating Plan and Strategic Plan.

- b. The appropriate Regional Advisory Committee has provided a resolution of support for the project.

In instances where the Regional Advisory Committee has supported an application that is not qualified by the scorecard assessment, or where a loan is requested, the application must be reviewed by the Board to secure funding approval.

Funding allocations over \$75,000 (per project) will ordinarily be adjudicated by the Board unless specifically delegated to the Chief Executive Officer.

The Board may determine by board resolution that specific funding allocation(s) (e.g. temporary adjudication for new programs) be adjudicated by the Board. This will be included in the Annual Operating Plan.

Funds managed by ETSI-BC on behalf of other organizations will follow adjudication procedures as per the respective contracts.

**Corporate Spokesperson:**

The Board delegates authority to the Chief Executive Officer to be the primary spokesperson on behalf of ETSI-BC.

Regardless of this delegation, if there is a media enquiry that appears to be of a controversial nature, the Chief Executive Officer shall brief the Chair and seek the advice of the Chair on the response. If the media is insistent on speaking with the Chair, the Chair will be fully briefed on all background by the Chief Executive Officer prior to the interview.

**Adopted and Updated:** April 30, 2021, June 23, 2023

## 2.10 IN-CAMERA MEETINGS

### 2.10.1 With Management Present

The Board may meet in-camera if they are dealing with matters related to:

- a. Personal information about an identifiable individual who holds or is being considered for a position as a Director or employee.
- b. Labour relations or other employee relations.
- c. The acquisition or disposition of land or improvements by an applicant or ETSI-BC.
- d. Litigation or potential litigation affecting ETSI-BC.
- e. The receipt of advice that is subject to solicitor-client privilege.
- f. Information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under the Freedom of Information and Protection of Privacy Act.
- g. Discussions with executive and employees regarding Trust objectives, measures, and progress reports for the purposes of preparing an annual report.
- h. The consideration of applications for funding and information received and held in confidence relating to negotiations between ETSI-BC and an applicant or any level of government, or between a level of government and a third party.
- i. Any material which may present potential harm to ETSI-BC or an applicant if the substance of deliberations is revealed before, or too soon after, the issues were considered or revealed prior to being ready for public review.

### 2.10.2. Without Management Present

It is a practice for members of a board to have an opportunity to meet without the Chief Executive Officer or other management representatives in attendance.

At the end of each meeting, the Chair may enter into an in-camera board meeting without management to discuss board performance and interaction. The Chair shall inform the Chief Executive Officer of the content and results of the discussion as it pertains to regular Trust business.

**Adopted:** April 30, 2021

## 2.11 POLICY DEVELOPMENT PROCESS

ETSI-BC sets policy through resolution of the whole board.

The Chief Executive Officer shall be directed by the vision, mandate and legislation, to draft operational policy and procedures that contribute to achieving the Board's vision.

The Board as a whole may also direct the development of specific policies with suggested content to the Chief Executive Officer.

The Chief Executive Officer shall work with the staff, subject matter experts, and individual board members with relevant expertise, in researching and drafting the policy. Draft policy will be circulated in the meeting agenda package. The Board has three choices:

- a. Adopt the policy, with or without direction for minor revisions, or
- b. Refer the policy back to the Chief Executive Officer with guidance for further development of the policy, or
- c. Defeat the policy draft. In this case, there will be open board discussion that provides reasons and concerns.

**Adopted:** April 30, 2021

# Section 3.0

## Financial Management Policies

## 3.0 FINANCIAL MANAGEMENT POLICIES

### 3.1 INVESTMENT POLICY

The goal of the investment policy is to:

- a. Outline ETSI-BC's investment principles.
- b. Provide guidelines to maximize return on investment in a prudent and diversified manner.
- c. Provide adequate income and ensure distribution and investment priorities outlined in the strategic plan are achieved.

The investment policy will also ensure that ETSI-BC conforms to the requirements of applicable federal and provincial statutes and legislation, the Income Tax Act and the Trustee Act. As such, the ETSI-BC Board, in carrying out its duties and responsibilities, agrees to exercise such competence and skill as may be expected of careful and diligent investment management.

**Adopted:** April 30, 2021

## 3.2 ROLES AND RESPONSIBILITIES - FINANCIAL

### 3.2.1 Board of Directors

The Board of Directors shall elect the Finance Committee and appoint the Investment Management Firm. The Board shall review and approve the Statement of Investment Policies and Procedures (SIPP), Investment Management Firm performance, and the results of any new Investment Management Firm search by the Finance Committee and executive staff. Negotiation of a contract for investment management will be delegated to the Finance Committee and executive staff. The Finance Committee shall present the proposed contract and an overview of the search process to the Board for ratification.

The Board of Directors shall monitor the results of the investment portfolio and ensure compliance with the SIPP, based on the report of the Finance Committee.

### 3.2.2 Role of the Investment Management Firm

The Investment Management Firm shall invest assets of ETSI-BC according to the Trustee Act and the approved SIPP of ETSI-BC.

The Investment Management Firm shall participate in the development of the SIPP with the Finance Committee and executive staff and shall remain fully aware of amendments to the investment policy. The Investment Management Firm shall provide a review of fund/account performance as well as the expectations on the economic and financial market outlook and related investment strategies at least four times annually. Reports on income and disbursements will be tracked by the Chief Executive Officer and will be available to the Board, and Regional Advisory Committees, if requested.

The Investment Management Firm shall be responsible for ensuring that the Finance Committee is knowledgeable about new asset classes or investment instruments and their impact on ETSI-BC's asset management objectives.

The Investment Management Firm shall provide a letter to the Board confirming compliance and/or detailing any guideline that has been breached.

### 3.3.3 Oversight of the Investment Management Firm

As required, the Finance Committee in consultation with the Chief Executive Officer may engage the services of an independent investment consultant to review the performance of the Investment Management Firm relative to appropriate indexes and peer performance. The consultant may also make recommendations on the value in the "fee structure" charged for investment management, and make other recommendations designed to inform the Finance Committee and demonstrate due diligence and fiduciary responsibility by the Committee and the Board.

**Adopted:** April 30, 2021



### 3.3 ECONOMIC DEVELOPMENT LOAN RISK POLICY

ETSI-BC supports community economic development projects that contain inherent risks and are often not considered commercially bankable. ETSI-BC recognizes that there is risk that some of its loans and loan guarantee funds will inevitably be unrecoverable. This is an expected outcome when loans and loan guarantees are made for the purposes of economic development.

ETSI-BC shall endeavour to collect loan principal, interest, and fees owing, through commercially reasonable means, and shall exercise its right to security where applicable.

**Adopted:** April 30, 2021

## 3.4 FINANCIAL OPERATIONS

### 3.4.1 Authorized Signatories and Accounts Payable:

The Chief Executive Officer and Executive Committee Members shall be the primary signing authorities for all payments including approval authority for electronic funds transfers.

These authorizations remain in place for all values of banking documents, consistent with the annual operating budget or approved project spending previously ratified by the Board.

Approval from two signing authorities will be required for all payments.

All cheques must have supporting invoices, claim cover sheets, or other information attached for review before signing.

All blank cheques will be secured in a locked fire safe cabinet when not in use.

The Chair is the approval authority for Chief Executive Officer expense forms.

### 3.4.2 Financial Statements

The Finance Committee shall present year to date financial statements (unaudited) to the Board at each meeting.

The statements will reflect year to date activity (actual to budget) to the period one quarter previous to the current month. Material variances from budget will be explained.

### 3.4.3 Authorization Limit

The Chief Executive Officer is authorized to purchase or order items within ETSI-BC's approved annual operating budget, subject to appropriate purchasing controls.

A Board resolution and two signatures by Authorized Signatories are required to transfer funds from the Investment Fund to ETSI-BC's general operating account as per approved budget requirements, or to authorize a transfer of funds from ETSI-BC's operating account to its Investment Fund.

The Executive Committee is authorized to approve Director expense claims which are not within the expense policy of the Board but must provide a rationale for records.

### 3.4.4 Contract Authorization

The Chief Executive Officer is authorized to sign and enter into contracts for services within ETSI-BC's approved annual operating budget, subject to appropriate contracting controls.

The Chief Executive Officer is authorized to enter into contracts consistent with board resolutions and project approvals. If the Chief Executive Officer is unavailable and time is of the essence, the Chair may sign the contract.

### 3.4.5 Year-End Audit

ETSI-BC's fiscal year end is March 31st.

All materials, adjustments and reconciliations required for the year-end audit must be completed forty-five days following the year end for presentation to ETSI-BC's auditor.

The audited financial statements will be presented to the Directors as soon as possible following the annual audit. This will generally occur at the spring Annual Inaugural Meeting of ETSI-BC.

The audited financial statements will be made available to the public by July 31st each year.

**Adopted and Updated:** April 30, 2021, December 2, 2022

### 3.5 EXPENSE REIMBURSEMENT

Expense claims (and associated receipts) must be received by the ETSI-BC office a maximum of thirty days following the meeting date. In the event of extenuating circumstances while traveling, claims must provide a brief explanation for any costs in excess of the normal charges.

Board members may claim the following expenses:

#### 1. Hotel:

Due to lengthy travel distances in some regions, a hotel stay may be required to facilitate Board members' attendance at meetings. Board members should request the hotel's Provincial Government rate at the time of booking. Miscellaneous charges for mini-bar, movies, or alcoholic beverages, etc. will not be reimbursed.

At their discretion, Board members may choose to stay an additional night at the hotel if their travel time would cause them to arrive home too late following the adjournment of the meeting (typically travel time of more than 3 hours or arrival at home after 8 pm).

#### 2. Airfare:

Return airfare costs may be incurred to attend meetings. These expenses should be the most direct flight option available and will be paid upon receipt of the paid invoice.

#### 3. Mileage:

Return mileage from the member's home location to the meeting location is claimable per the Federal (Canada Revenue Agency) Kilometric Rates. Directors that elect to drive to a meeting rather than fly will be reimbursed the lesser amount of either the current economy airfare cost or the mileage cost.

#### 4. Per Diem:

The per diem allowance is designed to cover all meal and gratuity costs for the member to attend the meeting. Members of the Board are entitled to claim Meals and Allowance per the Federal (Canada Revenue Agency) Meals and Allowances Rates.

#### 5. Miscellaneous Expenses:

Incidental expenses incurred in the normal course of attending a meeting (e.g. taxi, parking, telephone charges, etc.) may be claimed. All receipts must be attached. ETSI-BC will not accept claims for fines or dues.

**Adopted and Updated:** April 30, 2021, June 24, 2022

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**Signed**

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Sharon Shepherd, Board Chair