



# BCI Board of Directors

## DIRECTORS CODE OF CONDUCT

Effective as of April 2018

### 1 PURPOSE & APPLICATION

- 1.1 The purpose of this document is to establish minimum standards of conduct expected and required of all Directors of BCI.
- 1.2 This Code is not designed to be exhaustive and the standards it enumerates are in addition to and not in substitution for the statutory, common law and other duties and obligations applicable to Directors. Consequently, a Director uncertain of his or her duties in any particular circumstance should raise this concern with the Chair of the Board in order to obtain appropriate guidance and advice.

### 2 DEFINITIONS

- 2.1 **BCI** – BCI means the British Columbia Investment Management Corporation.
- 2.2 **Private Interest** – A Private Interest is not limited to a pecuniary or economic advantage and can include any real or tangible interest that personally benefits the Director. A Private Interest does not include an interest arising from the exercise of an official power or the performance of an official duty or function that:
  - (a) applies to the general public;
  - (b) affects an individual as one of a broad class of the public; or
  - (c) concerns the remuneration and benefits of the Director.
- 2.3 **Related Person** – Spouse, associates, immediate family, friends or persons with whom the Director is connected by frequent or close association or a private corporation controlled by any of these individuals.
- 2.4 **Spouse** – Spouse means a person to whom the individual is married or with whom the individual is living in a marriage like relationship for a period of at least two years, which may be between persons of the same gender. Spouse does not include those who are separated or living apart, or those who have entered into a written agreement under which they have agreed to live apart, or those who are the subject of an order of a court recognizing the separation.

### 3 OUR GUIDING PRINCIPLES

#### WE RESPECT OUR DUTIES

- 3.1 Engendering trust and acting ethically is at the centre of what we do and how we do it. BCI's Directors recognize that their duties emanate from both common law obligations and the *Public Sector Pension Plans Act* and that such duties include the following:
- (a) **Duty of Loyalty** – Directors must act honestly, in good faith, and in the best interests of BCI. In placing the interests of BCI ahead of their own personal or business interests, Directors must:
    - i. be honest in their dealings within BCI and with others on behalf of BCI;
    - ii. avoid situations where they could profit at the expense of BCI, appropriate a business opportunity of BCI, or otherwise put themselves in a position of conflict between their own Private Interests and the best interests of BCI; and
    - iii. avoid speaking against or undermining any decision of the Board, regardless of whether the Director agrees with or voted for that decision.
  - (b) **Duty of Care** – Directors owe a duty of care to BCI and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
  - (c) **Duty of Confidentiality** – Directors owe a duty of confidentiality to BCI. A Director:
    - i. must not divulge confidential information that he or she receives as a Director to anyone other than persons who are authorized to receive the information. The duty to maintain information in confidence continues after the Director ceases to be a director of BCI; and
    - ii. is responsible for taking measures to protect the confidentiality of the information to which he or she has access.
  - (d) **Duty to Disclose** – Directors have a duty of continuing disclosure. If a Director becomes aware of a matter which he or she has a duty to disclose or report under this Code, the Director must advise the Chair of the Board as soon as reasonably possible and effect disclosure in writing in accordance with section 4.1 of this Code.
  - (e) **Duty of Knowledge** – Directors must familiarize themselves with the relevant legislation applicable to BCI and to Directors and satisfy themselves that appropriate safeguards are in place to ensure BCI of their compliance with that legislation.

**WE DO NOT ENGAGE IN OR FACILITATE ILLEGAL ACTIVITY**

- 3.2 Clients, employees, and other stakeholders want to do business with and work for organizations that take their legal and compliance responsibilities seriously.
- (a) Directors shall comply with all applicable laws and regulations and with the By-Laws of BCI and the policies of BCI adopted by the Board from time to time, including this Code.

**WE TREAT EACH OTHER WITH DIGNITY AND RESPECT**

- 3.3 We treat each other with dignity and respect, free from discrimination, bullying, and all forms of harassment. We promote a healthy workplace, which is characterized by:
- (a) Polite behaviour – courteous and considerate behaviour towards others;
  - (b) Inclusion – of people with different backgrounds, cultures, strengths, and opinions; and
  - (c) Positive work environment – free from disrespectful, discriminating, bullying, and harassing behaviour.

**WE PROMOTE A SAFE AND HEALTHY WORK ENVIRONMENT**

- 3.4 We are committed to a safe and healthy work environment for all employees and we will comply with all applicable laws and policies relating to health and safety.

**WE AVOID CONFLICTS OF INTEREST**

- 3.5 We avoid conflicts of interest, whether real or perceived, in the performance of our duties. A conflict of interest arises when our private affairs or interests are in conflict, or could be perceived by a reasonable person to be in conflict with our duties or responsibilities in such a way that:
- (a) our ability to act in the interest of BCI and its clients could be impaired; or
  - (b) our actions or conduct could undermine or compromise:
    - i. the client's confidence in our ability to discharge our responsibilities as a Director; or
    - ii. the trust the clients place in BCI.
- 3.6 The Directors have adopted the following conflicts of interest rules. These rules do not represent an exhaustive list of all potential conflicts of interest.
- (a) a Director must disclose any conflict of interest and, in particular, must disclose any direct or indirect interest, whether personal or professional, which he or she has in a proposed or completed contract or transaction with BCI or matter affecting BCI;
  - (b) a Director must not exercise any decision-making power which could bring about financial benefit to the Director due to his or her financial holdings, business interests or property interests;
  - (c) a Director must not personally enter into contracts or transactions where to do so may be detrimental to BCI's best interests or where the activity is in conflict with the proper discharge of the Director's duties to BCI;

- (d) a Director must not divert to the Director or to Related Persons, a maturing business opportunity which BCI is pursuing;
- (e) a Director must not engage in any financial transactions, contracts, or private arrangements for personal profit which accrue from or are based upon the Director's official position or authority or upon confidential or non-public information which the Director gains by reason of such position or authority;
- (f) a Director must not use information that is gained due to his or her position or authority, which is not available to the general public, in order to further the Director's Private Interest. A Director must also not offer such information to Related Persons;
- (g) a Director must not act in his or her official role to assist organizations or persons in their dealings with BCI if this may result in preferential treatment to that organization or person;
- (h) a Director or Related Person must not provide contracted services to BCI; and
- (i) a Director, after leaving BCI, must refrain from taking improper advantage of his or her previous office.

#### **WE ARE DISCIPLINED WHEN ENGAGING IN OUTSIDE ACTIVITIES**

- 3.7 We are expected to avoid any positions, associations, investments, or other activities outside of our BCI duties that might:
- (a) interfere with the performance of our BCI duties;
  - (b) bring BCI into disrepute;
  - (c) represent a conflict of interest or create a reasonable perception of a conflict of interest;
  - (d) appear to be representing BCI in an official capacity or reflect BCI's opinion, position or policies;  
or
  - (e) involve the unauthorized use of BCI premises, services, equipment, or supplies which is only available by virtue of our relationship with BCI.
- 3.8 A Director must refrain from conduct which compromises or may be perceived to compromise the Director's ability to carry out his or her duties in an impartial manner and must be mindful that the public may not distinguish between the Director's role in BCI and the Director's role in outside activities.
- 3.9 Directors are free to participate in the political process as individuals on their own time or make personal contributions in accordance with the law. A Director's own political activities must be clearly separated from activities related to his or her appointment. If engaging in political activities in relation to their duties and responsibilities, Directors must remain impartial and retain the perception of impartiality.

**WE DO NOT EXTEND OR ACCEPT INAPPROPRIATE BUSINESS COURTESIES**

- 3.10 It is acknowledged that business courtesies are exchanged as common practice to foster business relationships. However, we have to maintain a high standard of independence and impartiality and avoid extending or receiving business courtesies that could be seen to impair our professional judgement, impact the performance of our duties, oblige us to a third party, or diminish the credibility of BCI.
- 3.11 The following criteria should be considered by Directors who are considering the acceptance of a business courtesy:
- (a) the benefit is of nominal value and it excludes cash or instruments readily convertible into cash;
  - (b) the exchange is lawful and creates no obligations;
  - (c) reciprocation would be easy;
  - (d) it occurs infrequently; and
  - (e) it would not adversely impact BCI's reputation if knowledge of the business courtesy was to become public knowledge.
- 3.12 We must, in all circumstances, refrain from requesting a business courtesy and we must notify the Corporate Secretary (who will immediately notify BCI's Compliance Office) without delay if we receive unsolicited business courtesies that fail to meet any of the above noted criteria.
- 3.13 BCI is committed to conducting business in accordance with *Canada's Corruption of Foreign Officials Act* and any other applicable international anti-bribery or anti-corruption laws. Corruption is the misuse of public power for private profit, or the misuse of entrusted power for private gain. Bribery is the offer, promise, or payment of cash, gifts, or excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views and/or conduct or to obtain an improper advantage ("inappropriate payment activity").
- 3.14 We must not knowingly engage in, facilitate, or benefit from any inappropriate payment activity.
- 3.15 We must report any concerns about suspicious behaviour relating to inappropriate payment activity of BCI, its employees, contractors, or any business partners, clients, government representatives, or other third parties dealing directly or indirectly in business dealings with BCI. This includes reporting in good faith where we believe that BCI or the above mentioned other parties have violated or are about to violate anti-bribery or anti-corruption laws in any jurisdiction.

**WE USE BUSINESS RESOURCES APPROPRIATELY**

- 3.16 We are expected to use BCI property in a responsible manner for BCI purposes or for other purposes with prior authorization. Use of BCI resources for commercial or political purposes is prohibited.
- 3.17 Limited and reasonable personal use of BCI's information technology equipment is permitted, providing we use caution and it does not interfere with the effective operation of BCI's network and computing facilities. We will be held fully responsible and accountable for any negative consequences. We must never use BCI equipment or property to access, receive, view, or distribute illegal or offensive material.
- 3.18 If we use BCI assets for personal purposes, we should have no expectation of privacy. BCI has a right to access information contained on or accessed through its corporate assets.

**WE PROTECT BCI'S PROPERTY AND REPUTATION**

- 3.19 BCI's Brand - We must only use BCI's brand and stationery for approved business purposes and in accordance with BCI's most current brand guidelines.
- 3.20 Communicating with the Media and Public:
- (a) Corporate Communication is responsible for managing BCI's relationships with the media and public. To help them do their jobs:
    - i. do not speak publicly or to the media on behalf of BCI without the approval of the Board Chair; and
    - ii. send any requests for comments or information received from the media to Corporate Communication;
  - (b) if authorized to speak publicly on behalf of BCI, always provide factual and accurate information; and
  - (c) inform Corporate Communication about speaking engagements as soon as possible.
- 3.21 BCI does not maintain social media accounts, nor engage through these platforms. As a Director of BCI, it is important to understand that if we personally choose to use social media, our comments could be tied back to BCI. At all times, we should be honest about who we are; clarify that our opinions are our own or that we are authorized to speak on behalf of BCI; be respectful of others, of BCI, or fellow Directors and employees; only share public information or data; and be aware that anything we say is permanent.

## **WE UPHOLD APPLICABLE RULES GOVERNING CAPITAL MARKETS**

- 3.22 As a significant participant in the capital markets, BCI is obligated to comply with securities legislation and various marketplace rules. These compliance obligations are designed to protect our clients and other investors from unfair, improper, or fraudulent practices, and to foster fair and efficient capital markets as well as confidence in the capital markets.
- 3.23 If we inadvertently receive material non-public information, we must immediately notify our General Counsel so that we may take appropriate protective actions. We have to take reasonable steps to preserve the confidentiality of information under our care. As well, we must NOT engage in any of the following activities:
- (a) Insider Trading – Trading of a public issuer’s securities while in possession of material non-public information about the issuer. This includes trading in personal accounts we control, direct, or influence. This trading prohibition applies to material non-public information acquired by reason of our relationship with BCI or through other sources and channels;
  - (b) Tipping – Disclosing material non-public information about a publicly traded security to a person who is not authorized to have the information; or
  - (c) Frontrunning – Executing orders on securities while taking advantage of advance knowledge of pending orders or strategies by BCI.

## **4 REPORTING OBLIGATIONS AND CHAIR’S RESPONSIBILITY**

- 4.1 A Director must report to the Chair of the Board any activity concerning the Directors or BCI which the Director believes contravenes this Code.
- 4.2 A Director must, by January 31 in each year, send to the Chair of the Board:
- (a) a declaration that he or she has, during the previous calendar year, complied fully with this Code or that he or she has during the previous calendar year, complied with this Code except for the specific circumstances which the Director must detail; and
  - (b) a list of all directorships or positions of fiduciary responsibility which the Director holds in a corporation, society, or organization.
- 4.3 The Chair of the Board shall investigate any complaint of non-compliance with this Code with respect and impartiality and report to the Board with his or her recommendation.

## 5 APPROVAL

This Policy is hereby updated and authorized effective as of the date below.

April 6, 2018

Date

[s] Peter Milburn

Chair of the BCI Board

## REVIEW HISTORY

Approval Authority	BCI Board
Committee	HRGC
Last Review Date	April 06, 2018
Next Review Date	March 31, 2022

## AMENDMENT HISTORY

DATE	VERSION NO.	SUMMARY OF AMENDMENTS
April 06, 2018	2	Comprehensive re-draft to better align with new Employee Code of Ethics and Professional Conduct.
March 2013 and Previous Dates	1	Note: There were versions of the Director Code of Conduct prior to the March 2013 version.