

# Board of Directors Terms of Reference

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## Composition and Board Organization

The Shareholder shall appoint Directors to the Board, from time to time.

The Board will be comprised of appointed Directors consisting of at least three persons with natural resource, finance, legal or other relevant experience. Directors are appointed for an open-ended term; however, appointments are confirmed annually, once the appropriated funds for the programs have been voted upon. No change would be anticipated, unless funding was not voted to the programs.

In the absence of a Director at a meeting, an alternate may not attend on the Director's behalf.

The Board of any operating subsidiary of FII will be approved by the Board of FII.

## Board Compensation

Board members employed by the Government of B.C. will serve as such without wage replacement, honorarium or other subsidy, but will be entitled to claim expenses, where applicable, in accordance with provincial expense guidelines. Non-government members will be entitled to claim expenses and are eligible for remuneration based on the provisions for Level 3 organizations as set out in Treasury Board Directive 2/17.

## Board meetings

- The Board plans for a minimum of four meetings per year and will table an annual meeting calendar to allow for firm commitments to be made.
- Special meetings of the Board may be held at any time at the call of the Chair.
- Meetings will be duly called if there is a quorum present. A minimum of two Directors holding office constitutes a quorum.
- Questions arising at any meeting of the Board will be decided by a majority of votes.
- A resolution in writing, signed by all Directors, shall be as valid and effectual as if it had been passed at a duly constituted meeting.
- A meeting may be held in person or via teleconference or video-conference.

## Agendas

- The CEO, in consultation with the Board Chair and the Corporate Secretary, will develop the agenda and schedule for Board meetings. Under normal circumstances, the Minutes of the previous Board meeting, with the meeting agenda and associated material, will be distributed to Directors not less than five days before a Board meeting.
- All Directors are free to suggest additions to the agenda.
- The agenda will clearly identify priority for full discussion of substantive items.

## Information for Meetings

- Material for Board meetings should be concise, complete, and prepared in a way that focuses attention on critical issues to be considered.
- Reports may be presented during Board meetings by Directors, management or staff, or by invited outside advisors.
- Presentations on specific subjects at Board meetings should briefly summarize the material sent to Directors, to maximize the time available for discussion.

## Roles and Responsibilities

The role of the Board of Directors is that of leader, overseer, steward and reporter. Board members must carry out their responsibilities honestly, in good faith and in the best interests of FII, and in doing so must exercise due care and diligence. The Board is to interpret the mandate as expressed by the Shareholder, provide strategic direction and stewardship to the FII Executive, approve the direction of the business and oversee and report progress of FII in meeting its objectives.

General responsibilities include:

- Managing Board Affairs: overseeing Board and committee composition, Board process and guidelines and approving FII policies;
- Shareholder Mandate: overseeing management's implementation of the mandate and reviewing and making recommendations regarding the mandate;
- Human Resources: selection, appointment, compensation and evaluation of the CEO, and management succession and development, having general regard to government guidelines and comparable industry norms;
- Strategy and Plans: review and approval of plans consistent with the Shareholder's mandate;
- Financial and Corporate Issues: reviewing financial, accounting and control systems in addition to ensuring that appropriate risk management systems, codes of ethical conduct and conflict of interest guidelines are in place; and
- Reporting and Communications: accountability to the Shareholder and corporate communications policy.

Specific Accountabilities include:

- Making recommendations to the Shareholder regarding FII's mandate;
- Providing the Shareholder with an annual Service Plan that includes strategic performance measures and targets;
- Ensuring management identifies the principal risks of FII's business and that management has implemented appropriate systems to manage these risks;
- Approving annual financial statements and reviewing quarterly financial results;
- Approving banking resolutions and significant changes in banking relationships;
- Ensuring FII has in place effective communications processes with the Shareholder and other key stakeholders;
- Overseeing FII's progress towards its goals and providing the Shareholder with an Annual Report on FII's success in attaining performance targets established for the prior fiscal year.