



**TECHNICAL
SAFETY BC**

Safe technical systems. Everywhere.

Board Governance Manual

Updated May 2021

This document is valid only
as of the date of posting

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Throughout this document, a reference to “Chief Executive Officer” or “CEO” shall be read to include the corresponding term “Lead Executive Officer” or “LEO”. The incumbent CEO determined for personal reasons and out of respect for cultural sensitivities the term “Chief” engenders for Indigenous persons, to replace “Chief” with “Lead” in her title. Accordingly, the present LEO for Technical Safety BC is effectively serving in the CEO role, which section 23 of the *Safety Authority Act* mandates the Board to appoint an individual to in the following terms:

Appointment of chief executive officer

23 The directors must appoint an individual as the chief executive officer of the authority to carry out the functions and duties that the board specifies and may set the remuneration of the chief executive officer.

1.1 BACKGROUND

Throughout Canada, and elsewhere in the world, there is growing recognition that many of the services traditionally delivered by government can be more effectively provided by non-government bodies under appropriate guidelines and supervision.

The BC model is based on the recommendations provided by the Safety Systems Review, a comprehensive examination of the safety system conducted in British Columbia in 1995-97, as well as other research and consultation.

It was the recommendation of the Safety System Review, reinforced by the deliberations of safety advisory committees and the advice of individual stakeholders, that the best way of ensuring continued excellent levels of public safety would be to separate service delivery from government. The recommendation was designed to permit service to be offered by an independent authority, guided by an effective Board of Directors, capable of flexible and innovative responses to changing circumstances.

1.2 PURPOSE

The key objective of BC Safety Authority (now operating as Technical Safety BC) is to protect public safety by delivering services that lead to the safe manufacture, installation, maintenance, use and operation of technical products, equipment and systems.

Other objectives are:

- to implement a safety system and service delivery model that is more responsive to client and safety system needs;
- to provide a dependable and sustainable level of service; and
- to finance service delivery through a cost-recovery, user-pay model.

Technical Safety BC is designed to protect public safety through a variety of mechanisms including the provision of inspection and audit services related to aerial tramways, amusement rides, boilers, electrical and gas equipment and systems, elevating devices, pressure vessels, railways and refrigeration systems. As well, Technical Safety BC certifies regulated products and individuals, licenses contractors and develops and administers inspector training programs. Technical Safety BC uses risk assessment to identify regulated work and products that require a higher level of regulatory attention. Technical Safety BC also provides public education.

1.3 OPERATIONAL MODEL

Technical Safety BC is an independent, not-for-profit corporation established by statute and operating at arm's length from government. While Technical Safety BC is not an agent of government, a strong accountability framework ensures that it will fulfill its mandate and that the public's interests in public safety are protected.

The key elements of the accountability framework include:

- the incorporating statute and delegation provisions;
- two formal administrative agreements between the government and Technical Safety BC that specify responsibilities, performance expectations and other administrative matters;
- fee setting process and criteria established by regulation;
- government responsibility for safety policy and liaison to:
 - oversee the delegation of the administration of the *Safety Standards Act* and the *Railway Safety Act* to Technical Safety BC;
 - manage the legislation, regulations, codes and standards; and
 - audit and monitor compliance with the administrative agreements;
- an administrative tribunal to hear appeals of certain decisions made by Technical Safety BC employees and inspecting local governments thereby ensuring impartiality and fairness;
- Technical Safety BC being subject to the *Freedom of Information and Protection of Privacy Act* and the *Ombudsperson Act* of British Columbia; and
- Technical Safety BC being required to prepare and make publicly available its annual report and three-year business plan.

1.4 DIVISION OF RESPONSIBILITIES

Establishment of Technical Safety BC provides flexibility and responsiveness in the delivery of safety services. At the same time, the Province retains a policy role. Working through the responsible ministry, the Province:

- sets legislation, regulation and major external policies;
- adopts codes and standards by regulation;
- manages relationships related to national codes and standards;
- oversees municipal participation in the safety system;
- provides fee-setting process and criteria;
- oversees the appeal system;
- delegates administrative powers to Technical Safety BC and local governments; and
- monitors results.

Technical Safety BC:

- delivers the safety services previously provided by the Province of BC;
- manages its financial, operational, human resource and information systems affairs;
- advises the appropriate Minister, as required, on safety matters, including recommendations regarding development of codes and standards, policies, regulations and legislation;
- provides codes and standards interpretation services to stakeholders;
- undertakes technically specific safety research and policy development;
- sets fees based on processes and criteria set by the Province;
- enforces legislation, regulations and policy;
- issues licenses and permits;
- examines and certifies individuals;
- represents the Province, as required, on technical safety matters; and
- undertakes other duties as delegated by the Province.

Both the Province and Technical Safety BC have a role to play with respect to policy development, depending on the nature of the policy under consideration. The Province will continue to have responsibility for major policies that will have a direct impact on clients, e.g., establishing boiler regulations.

Technical Safety BC can recommend and comment upon such policy proposals; however, decision-making is retained by the respective Ministers. Technical Safety BC, for its part, has the ability to set and administer its own internal operational policies, e.g., the actual fees charged based on the criteria set by the Province, the number of safety officers on staff, how to undertake compliance monitoring, quality assurance measures, etc., without reference to the Province.

1.5 IMPACT ON FEES

Under section 86 of the *Safety Standards Act* the Minister responsible for the Act establishes the overall criteria to be used by Technical Safety BC in the setting of fees by regulation. These criteria are designed to ensure consultation and transparency. In making decisions on fees to be charged, a number of factors are relevant:

- Technical Safety BC is established as a not-for-profit corporation;
- Technical Safety BC incorporates private sector business practices such as multi-year business planning and the creation of a contingency to address unforeseen circumstances; and

- Technical Safety BC sets fees that reasonably reflect the cost of delivering services.

1.6 RELATIONSHIP WITH STAKEHOLDERS

The input and insights of members of the public, industries, businesses and professional associations directly involved in the adoption and use of safety services is critical to the efficient functioning of the safety system and Technical Safety BC. To that end, the agreement between the Province and Technical Safety BC mandates that Technical Safety BC be responsive to the needs of clients and stakeholders.

To meet this obligation, Technical Safety BC has established a robust program of research and engagement activities aimed at involving and embedding clients and stakeholders in the various stages of decision-making, including the design, implementation and evaluation of our programs, policies, products, and services. This includes research and outreach efforts to understand group interests, priorities and concerns, as well as individual needs, preferences, and barriers faced in adoption (compliance) or participation.

The methods we use include a combination of:

- * one-on-one meetings or interviews;
- * industry workshops or events;
- * focus groups;
- * survey research;
- * expert panels or advisory groups (see below); and
- * digital engagement tools.

Advisory Groups

Technical Safety BC facilitates advisory groups focused on incorporating industry stakeholders' input and recommendations into specific projects and initiatives. Each advisory group is made up of industry representatives specific to the project or initiative, such as contractors, instructors from technical schools and other interested stakeholders as required. Recommendations from the advisory groups assist Technical Safety BC in developing and improving policies, products and services and to propose regulatory changes to the Province.

1.7 RELATIONSHIP WITH LOCAL GOVERNMENTS

Under the provisions of the *Safety Standards Act* responsibility for service delivery in electrical and/or gas safety is also delegated by the Province to ten local

governments with delegated authority to provide safety services (permits and inspections only) in their jurisdictions. The Province may also delegate the responsibility to any qualifying local government wishing to do their own permitting and inspections in future.

Technical Safety BC recognizes technical and operational relationships that were previously in place between the Province and the ten local governments. In these relationships Technical Safety BC is the pre-eminent technical specialist and assists local governments in areas, including:

- * licensing of contractors;
- * certification of individuals;
- * certification of some equipment and appliances;
- * provision of code interpretations; and
- * managing technical stakeholder advisory mechanisms such as safety committees.

In addition to this, Technical Safety BC provides safety services such as inspection, technical auditing, and investigation to stakeholders.

Technical Safety BC and the ten local governments all operate under individual administrative agreements with the Province. The intent of the administrative agreements is to ensure that a basic and standard level of service delivery throughout the Province is established and all oversight organizations under the authority of the *Safety Standards Act* are tied together in a common purpose.

Safety Standards Administrators' Group

Technical Safety BC sponsors the Safety Standards Administrators' Group which is comprised of representatives of the 10 local governments that also have delegated authority to administer certain requirements for electrical and/or gas safety. The purpose of the group is to discuss common administrative issues, promote greater consistency in provincial safety management and foster collaboration between authorities administering the *Safety Standards Act*. The Province also participates through representatives of the ministry responsible for Technical Safety BC. The group makes non-binding recommendations to Technical Safety BC's senior management.

2.1 VISION

Safe technical systems. Everywhere.

2.2 VALUES

- We See Genius in Diversity*** When we each bring our unique perspective to the table, in the spirit of collaboration and respect, ideas improve and our impact on the safety system becomes greater.
- We Foster Confidence*** We communicate directly, listen actively, explain our decisions, and share what we know to build confidence in each other, our organization, and the safety system.
- We make the Complex Simple*** Through simplification of our initiatives we promote understanding and engagement, making safety accessible to everyone.
- We Adapt*** As society changes, we create and adopt new ideas, skills, and tools that will enable us to meet the safety challenges of a highly-connected world.

3. GUIDING PRINCIPLES

3.1 Leadership

- The Directors must manage the affairs of Technical Safety BC or supervise the management of those affairs. (*Safety Authority Act*, s.14).
- The Board and senior management are collectively responsible for providing ethical and moral leadership and, individually, to conduct themselves with integrity.
- The Board of Directors functions as an independent body acting in a fiduciary capacity.
- The primary duty of the Board is to carry out the mandate of Technical Safety BC.

3.2 Trust

- The Board and senior management are expected to foster a spirit of cooperation, open communication and trust among the communities/stakeholders and customers.
- The Board demonstrates trust in senior management by delegating appropriate authority and holding senior management accountable.

3.3 Governance Procedures

Dates and Locations

- To the greatest extent possible, all Board and committee meetings are scheduled at a place and time convenient to members.

Setting the Agenda

- The Chair, in consultation with the CEO and Corporate Secretary, develops Board meeting agendas.
- Any Director or committee member may request a matter be placed on the agenda by advising the Chair.
- Committee Chairs set committee meeting agendas. Any committee member may request a matter be placed on the agenda for a committee meeting by advising the Committee Chair.
- Board and committee agendas should be designed so that the most important items are addressed first, thus allowing sufficient time for discussion and decision-making.
- Board and committee agendas should identify whether an agenda item is for information, discussion and/or decision.

Meeting Rules and Procedures

- The Chair of the Board chairs all regularly scheduled Board meetings. If the Chair is absent for any reason, the Chair of the Governance and Human Resources Committee will serve as Chair.
- Robert's Rules of Order* apply to meetings, including the making of motions, amendments and calling the question. However, informal exchanges and discussions are encouraged.
- Minutes are kept of all motions, and while comments on important issues may be recorded, general discussion is not.
- At the end of each Board meeting the Board meets with the President and CEO followed by an in-camera session without members of Management present.
- The Chair will take informal minutes during sessions when the Corporate Secretary is not in attendance.

Meeting Preparation

- All minutes and background information for Board meetings will be circulated in a timely manner to enable Board members sufficient time to review and come prepared to the meetings.
- The CEO facilitates business and news updates on a regular basis.

Attendance at Meetings

- All Directors should make every effort to attend meetings.
- The CEO may ask one or more Technical Safety BC employees to attend a meeting.

Committees of the Board

- Committees of the Board are struck to deal with matters requiring more depth of inquiry. These committees report on the general nature of their discussions and make recommendations to the Board.
- Current standing committees are set out at Tab 11.
- The Board may, from time-to-time, restructure these committees, revise a committee's mandate or establish ad hoc committees or task forces as necessary.
- The Terms of Reference of all committees will be reviewed on an annual basis.

Reference: **Robert's Rules of Order Newly Revised, 11th Edition*
Edited by Henry Robert, Daniel Honemann, Thomas Balch

4.1 CODE OF ETHICAL CONDUCT FOR TECHNICAL SAFETY BC DIRECTORS AND OFFICERS

BC Safety Authority (now operating as Technical Safety BC) was established under the *Safety Authority Act* effective June 20, 2003 as a not-for-profit corporation without share capital.

The *Safety Authority Act* provides for governance of Technical Safety BC as follows. Sections 8 – 16 provide for a Board of Directors. Sections 17 – 22 deal with conflicts of interest. Sections 23 – 24 deal with Officers.

Technical Safety BC's mandate requires that its policies and practices be driven by safety. Technical Safety BC's decision makers must not be affected (or perceived as affected) by conflicting interests or conflicting loyalties.

Directors and Officers, as individuals, agree to comply with the following Code. Their continuing compliance with the Code is a condition of their appointment and service as a Director or Officer.

Statutory Standards. Section 11(1) of the *Safety Authority Act* requires that when exercising their powers and performing their duties and functions a Director must:

- (a) Act honestly and in good faith.
- (b) Act with a view to the best interests of Technical Safety BC.
- (c) Exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances.
- (d) Act in accordance with the *Safety Authority Act*, the *Safety Standards Act* and the regulations under them.
- (e) Act in accordance with any provisions of the *Business Corporations Act* that apply to Technical Safety BC.¹

4.2 COMPLIANCE WITH THE LAW

1. Directors and Officers shall at all times act in accordance with both the spirit and the letter of all applicable laws.
2. In his/her relationship with Technical Safety BC, no Director or Officer should commit or condone an unethical or illegal act or instruct another Director, employee or supplier to do so.

¹ When the Board came into being on April 1, 2004, no provisions of the Business Corporations Act had been designated by Regulation as applicable to the conduct of the Authority's directors or senior officers.

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3. Directors and Officers should not only comply fully with the law, but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

4. **Additional standards**

In addition to compliance with applicable laws, Technical Safety BC requires Directors and Officers to observe a high ethical standard of business conduct in all aspects of its business.

4.3 CONFLICTS OF INTEREST

1. Nothing undermines respect for decisions or confidence in the decision makers more than a conflicting interest or agenda of the decision maker. Conflicts provide a ground on which an aggrieved person can challenge the decision (and the decision makers).
2. In general a conflict exists for Directors and Officers who use their position at Technical Safety BC to benefit themselves, friends or family.
3. A Director or Officer should not use his or her position with the organization to pursue or advance personal interests, the interests of a related person, the Director's or Officer's business associates, corporation, union, partnership or the interests of a person to whom the Director or Officer owes an obligation.
4. A Director or Officer should not directly or indirectly benefit from a transaction with Technical Safety BC over which the Director or Officer can influence decisions made by Technical Safety BC.
5. A Director or Officer should not take personal advantage of an opportunity available to Technical Safety BC unless Technical Safety BC has clearly and irrevocably decided against pursuing the opportunity and the opportunity is also available to the public.
6. A Director or Officer should not use his or her position with Technical Safety BC to solicit clients for the Director's or Officer's business or a business operated by a close friend, family member, business associate, corporation, union or partnership of the Director or Officer or a person to whom the Director or Officer owes an obligation.
7. Every Director and Officer should avoid any situation in which there is, or may appear to be, potential conflict which could interfere with the Director's or Officer's judgment in making decisions in Technical Safety BC's best interests.

8. There are many situations that could give rise to conflicts of interest. The most common are: accepting gifts, favours or kickbacks from suppliers; close or family relationships with outside suppliers; passing confidential information to competitors or other interested parties; or using confidential information inappropriately.

4.4 PROTOCOL FOR DEALING WITH TECHNICAL SAFETY BC EMPLOYEES

- (a) Board members may find themselves dealing directly with Technical Safety BC employees either as a consumer of Technical Safety BC services (e.g., buying permits, receiving inspections) or as a person who works in a regulated industry. In all such situations, Directors must be sensitive to the nature and frequency of such contact. The purpose of this protocol is to protect both Board members and Technical Safety BC from perceived conflicts of interest.
 1. Board members must not use their position as a Board member to attempt to influence the decisions or actions of Technical Safety BC employees.
 2. On Board related issues, Board members shall not communicate directly with employees. Such enquiries shall be made to the President and CEO or designate.
 3. Board members will avoid business contacts with Technical Safety BC employees, unless it is not practical to have someone else conduct the business on their behalf.
 4. Board members will identify themselves as a Board member when doing business with a Technical Safety BC employee.
 5. Board members are subject to conflict of interest guidelines provided to Technical Safety BC Board members and the signing of the disclosure statement by Board members.
 6. Board members who work in a regulated industry shall inform the Board Chair and the CEO where the Board member intends to make a request personally of an employee that may result in the employee exercising his or her discretion in the Board member's favour, including but not limited to any of the following:
 - i. Disputing or protesting a decision of an employee,
 - ii. Requesting relief from the application of a regulation, rule, code or standard, including requesting a variance or equivalent standards agreement,

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- iii. Applying a professional stamp on documents to be submitted to Technical Safety BC, and
 - iv. Any conduct that may create the impression of favouritism to an external observer.
7. Formal appeals of business decisions will follow the process established under the *Safety Standards Act*.
- (b) Technical Safety BC Officers may find themselves dealing directly with Technical Safety BC employees as a consumer of Technical Safety BC services (e.g., buying permits, receiving inspections). In all such situations, Officers must be sensitive to the nature and frequency of such contact. The purpose of this protocol is to protect both Technical Safety BC Officers and Technical Safety BC employees from perceived conflicts of interest.
1. Officers must not use their position as a Technical Safety BC Officer to attempt to influence the decisions or actions of Technical Safety BC employees.
 2. Officers will avoid business contacts with Technical Safety BC employees, unless it is not practical to have someone else conduct the business on their behalf.
 3. Officers will identify themselves as Technical Safety BC employees when doing business with a Technical Safety BC employee.
 4. Officers are subject to conflict of interest guidelines provided to Technical Safety BC Officers and the signing of the disclosure statement by Officers.
 5. An Officer other than the President and CEO shall inform the President and CEO where the Officer intends to make a request personally of an employee that may result in the employee exercising his or her discretion in the Officer's favour, including but not limited to any of the following:
 - i. Disputing or protesting a decision of an employee,
 - ii. Requesting relief from the application of a regulation, rule, code or standard, including requesting a variance or equivalent standards agreement,
 - iii. Any conduct that may create the impression of favouritism to an external observer.

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6. The President and CEO shall inform the Chair of the Board where he or she intends to make a request personally of an employee that may result in the employee exercising his or her discretion in the President and CEO's favour, including but not limited to any of the following:
 - i. Disputing or protesting a decision of an employee,
 - ii. Requesting relief from the application of a regulation, rule, code or standard, including requesting a variance or equivalent standards agreement,
 - iii. Any conduct that may create the impression of favouritism to an external observer.
 7. Formal appeals of business decisions will follow the process established under the *Safety Standards Act*.

4.5 DISCLOSURE

1. Full disclosure enables Directors and Officers to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.
2. A Director should immediately on becoming aware of a potential conflict of interest situation disclose the conflict (preferably in writing) to the Board Chair. This requirement exists even if the Director does not become aware of the conflict until after the transaction is complete.
3. If a Director is in doubt whether a situation involves a conflict, the Director should immediately seek the advice of the Board Chair. If appropriate, the Board Chair may wish to seek legal or other expert advice.
4. Unless a Director is otherwise directed, a Director should immediately take steps to resolve the conflict or remove the suspicion that it exists.
5. If a Director is concerned that another Director is in a conflict of interest situation, the Director should immediately bring his or her concern to the other Director's attention and request that the conflict be declared. If the other Director refuses to declare the conflict, the Director should immediately bring his or her concern to the attention of the Board Chair. If there is a concern with the Board Chair, the issue should be referred to the Governance and Human Resources Committee.
6. A Director should disclose the nature and extent of any conflict at the first meeting of the Board after which the facts leading to the conflict have come to that Director's attention.

7. After disclosing the conflict, the Director must leave the meeting and not vote, lobby or otherwise participate in the decision making process. The Director must follow this procedure even if he or she thinks they can manage the conflict in good conscience, because Technical Safety BC cannot afford grounds for perception that any of its decisions are affected by conflict of interest or conflict of responsibility.
8. Sections 1 to 5 of this Section 4.5 apply to disclosure of conflicts of interest by Officers except that Officers should disclose the conflict to, and seek advice from, the President and CEO. If there is a concern with the President and CEO, the issue should be referred to the Board Chair.

4.6 ACCOUNTING

The accounting records of Technical Safety BC shall fairly reflect all assets, liabilities and transactions in respect of its operations. Resources of Technical Safety BC shall not be used for the personal benefit of any Director or Officer except remuneration and benefits disclosed in the accounting records and reimbursement of reasonable and proper expenses. All transactions shall be recorded in a manner such that the substance of each transaction is not obscured.

4.7 BOARD SOLIDARITY

Technical Safety BC's Board governs collectively, not individually. Except as authorized by the Board, individual Directors:

- (a) Shall not exercise or purport to exercise authority except at a meeting of the Board or a Board committee or as specifically delegated by the Board.
- (b) Shall direct any employee or contractor request for direction or information to the President and CEO.
- (c) Shall not express to any person outside the Board any personal dissent from the Technical Safety BC's policies, practices and decisions.
- (d) Technical Safety BC shall designate one or more spokespersons to communicate on its behalf with the media and the public as may be required from time to time. No Director, other than a person so designated, shall communicate or respond to communication with the media or the public regarding Technical Safety BC's policies, practices and decisions.

4.8 CONFIDENTIALITY

Each Director and Officer shall at all times maintain the confidentiality of all information and records that are the property of Technical Safety BC and shall not make any use of such information, unless and until it has been disclosed to the public. Confidential information includes proprietary technical, business, financial, legal or any other information which Technical Safety BC treats as confidential. This obligation shall continue even after termination of office.

4.9 GIFTS, HOSPITALITY

1. Directors shall not offer, provide or accept any gift or any excessive entertainment or benefit that is directly or indirectly related to Technical Safety BC's business. Officers shall comply with Technical Safety BC's Standards of Conduct.
2. Gifts should only be accepted by a Director in the normal exchanges common to established business relationships for Technical Safety BC. An exchange of gifts should create no obligation on the part of the Director.
3. Inappropriate gifts received by a Director should be returned to the donor.
4. Full and immediate disclosure to the Board Chair in borderline cases will always be taken as good faith compliance with these standards.

4.10 NOT POLITICAL

Technical Safety BC's funds and resources shall not be used to support any political cause, party or candidate.

4.11 ANNUAL REVIEW AND DECLARATION

1. This Code will be reviewed annually by each Director and Officer to ensure understanding, compliance and commitment to its principles and requirements.
2. Each Director and Officer should declare compliance with this Code in the following form:

I acknowledge that I have read and considered the Code of Ethical Conduct for Technical Safety BC Directors and Officers and agree to conduct myself in accordance with the Code of Ethical Conduct for Technical Safety BC Directors and Officers.

4.12 BREACH

A Director or Officer found to have breached his/her duty by violating the minimum standards set out in this Code may be liable to censure or dismissal.

Section 22 of the British Columbia *Safety Authority Act* outlines this policy as follows:

- (1) If a director, the chief executive officer or a senior officer holds any office, or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as director, chief executive officer or senior officer of the Technical Safety BC, the individual must disclose, in accordance with this section, the nature and extent of the conflict.
- (2) The disclosure required under subsection (1)
 - (a) must be made to the directors promptly
 - i. after that individual becomes a director, the chief executive officer or a senior officer, or
 - ii. if that individual is already a director, the chief executive officer or a senior officer, after that individual begins to hold the office or possess the property, right or interest for which disclosure is required, and
 - (b) must be evidenced in a consent resolution, the minutes of a meeting or any other record deposited in the Technical Safety BC's records.

6.1 INTRODUCTION

The power to make appointments to the Board rests with the Directors through the Board's nominating and selection committee process, except with respect to the specified government appointments.

Section 8 of the *Safety Standards Act* provides that the Board will consist of at least nine but not more than fifteen members. The Minister may appoint up to three directors. The remaining directors are appointed by the Directors. Non-government candidates for the Board are screened and short-listed by a nominating committee based on the knowledge, skills and abilities of the candidates. The Directors make the final selection from a list of suitable candidates provided by the nominating committee.

The Directors appoint the Chair and may appoint a Vice Chair from among its members. Directors appointed by the Minister are not eligible for consideration.

While there may be members from industry on the Board, they will participate as qualified individuals and not as industry representatives. This reduces the potential for conflict of interest situations between a Board member's role as a representative of a particular sector and the person's obligations as a Director of Technical Safety BC.

To ensure the Board exercises its duties and powers in a responsible and prudent manner, the *Safety Authority Act* requires Board members to act honestly and in good faith, in a financially accountable manner and with a view to the best interests and objectives of Technical Safety BC and the safety system as a whole.

The Directors are stewards of Technical Safety BC. They have the responsibility to oversee the conduct of the business, and endeavour to ensure that all major issues affecting the business and affairs of Technical Safety BC are given proper consideration. In performing its functions, the Board also considers the legitimate interests of communities and the Province.

6.2 PROCEDURES AND ORGANIZATION

1. Technical Safety BC's Board of Directors regulates its affairs and determines its own procedures. The Finance and Audit Committee reviews a summary report of Technical Safety BC internal operational audits semi-annually and presents its report to the Board on an annual basis, making recommendations when necessary.

2. The Finance and Audit Committee is responsible for recommending an external auditor for appointment by the Board on an annual basis. At least every five years the Finance and Audit Committee shall conduct a competitive process to retain the auditor.
3. Technical Safety BC's Board of Directors is responsible for managing its own affairs including the responsibility to:
 - (a) appoint directors pursuant to Section 8 of the *Safety Authority Act*;
 - (b) on the recommendation of the Chair appoint, determine the composition of, and set the mandate for Board committees;
 - (c) implement an appropriate process for assessing the effectiveness of Board governance, committees, and the contribution of Directors;
 - (d) assess the adequacy and form of Director compensation;
 - (e) assume responsibility for governance practices;
 - (f) appoint and hold the President and Chief Executive Officer accountable; and
 - (g) appoint the Corporate Secretary.

6.3 GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

Basic legal duties are imposed on Technical Safety BC's Board of Directors pursuant to both the *Safety Authority Act* and the common law (See Appendix "A").

Directors owe a fiduciary responsibility to carry out the duties of their office:

- (a) honestly and in good faith;
- (b) in the best interests of Technical Safety BC; and
- (c) with the care, diligence, and skill of a reasonably prudent person.

Directors are subject to rules and conflict of interest provisions as defined in Part 4 of the *Safety Authority Act* and the Code of Ethical Conduct for Technical Safety BC Directors and Officers.

Directors review the Code of Ethical Conduct for Technical Safety BC Directors and Officers annually, and acknowledge their support and understanding of the policy by signing a disclosure statement.

Directors have specific statutory duties and obligations under employment, environmental, and financial reporting laws, as well as under the withholding provisions of taxation law.

6.4 BOARD OF DIRECTORS' GUIDELINES

These guidelines outline how Technical Safety BC's Board of Directors will operate in carrying out its duties of stewardship and accountability.

1. **Officers of the Board**

The Officers of the Board of Technical Safety BC are the Chair, Vice Chair, if one has been appointed, and the Corporate Secretary. The Chair, Vice Chair and Corporate Secretary are appointed by the Board.

2. **Best Interests of Technical Safety BC**

The Board of Technical Safety BC is responsible for ensuring the best interests of Technical Safety BC are met at all times.

3. **Terms of Reference Review**

Terms of Reference for the Board, its committees, and the Chair are reviewed annually by the Governance and Human Resources Committee of the Board. The committee will propose any changes to the Board for approval.

4. **Principal Risks**

The Board members should have a continuing understanding of the principal opportunities and risks associated with Technical Safety BC's business.

5. **Communications Policy**

The Board of Technical Safety BC ensures that Management has an effective communications policy, and a process for review and approval of major reports to the public, including the Annual Report.

The President and Chief Executive Officer, or delegate, is the primary spokesperson for issues as outlined in Technical Safety BC's communications policy. The Chair is the primary spokesperson for the Board, and may be called upon to assume the lead to publicly address specific issues, as outlined in Technical Safety BC's communications policy.

Directors should not publicly speak on behalf of the Board of Directors or Technical Safety BC. If approached to do so, they should consult with the President and Chief Executive Officer, or the Chair.

6. **The Chair of the Board**

The Chair provides leadership to the Board. In the absence of the Board Chair, the Chair shall pass to the Directors in the following order: Vice Chair (if appointed); Chair of the Governance and Human Resources Committee; and Chair of the Finance and Audit Committee, if eligible.

7. **Committees**

Each committee operates according to a Board approved mandate outlining its duties and responsibilities.

The current committee structure is set out under Tab 11.

8. **Committee Chair and Committee Members**

The Board Chair is responsible to the Board for annually proposing the leadership and membership of each committee. In preparing recommendations, the Board Chair will consult with the Board taking into account the preferences, skills and experience of each Director.

The Board supports a periodic rotation in committee leadership and membership in a way that recognizes and balances the needs for new ideas, continuity and maintenance of functional expertise.

Each committee's meeting schedule and agenda will be determined by its Chair and members with the assistance of the Corporate Secretary, based on the committee's work plan and terms of reference. Each committee reports in a timely manner to the Board on the results of its meetings.

9. **Board Meetings and Agendas**

The Technical Safety BC Board plans for a minimum of four (4) regular meetings per year with additional meetings at the call of the

Chair. In addition, the Board will hold an Annual Public Meeting and may hold a strategic planning session.

The Board will endeavour to set meeting dates several months in advance. The date, time, and place of a regular meeting of the Board shall generally be fixed not less than 21 calendar days in advance of the date when it shall occur. A notice shall be delivered not less than two full days prior to an extraordinary meeting.

The agenda for regular meetings shall be set by the Chair in consultation with the CEO and the Corporate Secretary and issued via email not less than one week in advance, along with supporting material for the Directors posted on an online application. In special circumstances, the agenda shall be distributed not less than two full days in advance. All Directors are free to suggest additions to the agenda. Agendas shall be organised so that the most important items are dealt with in advance of items of a routine or less significant nature.

A simple majority of the Directors holding office constitutes a quorum. Questions arising at any meeting of Directors shall be decided by a majority of votes. In a case of an equality of votes, the Chair of the meeting will have a second or casting vote.

A resolution in writing or a consent resolution signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. An email from a Director indicating consent shall be considered a valid and effectual signature, without need for an accompanying reproduction of the Director's handwritten signature. (added April 2011)

Most meetings are held in the Greater Vancouver area.

All or some Board members may attend a Board meeting by telephone or other communication facilities as long as all participants are able to hear each other and a Director who participates in a meeting by that means must be counted as present at the meeting.

10. **Annual Public Meeting**

The Board will hold an Annual Public Meeting where the operation and plans of Technical Safety BC are reviewed. The Annual Public

Meeting must be held within 6 months after the end of the fiscal year to coincide with the release of the Annual Report.

11. **Board and Committee Minutes**

The Chair of the Board or of a committee shall be provided with the draft minutes of each meeting of the Board or committee, at minimum, fourteen (14) calendar days prior to its next meeting and the draft minutes of each meeting of the Board or committee will be made available to members, seven (7) calendar days prior to the Board or committee meeting at which it will be approved. A resolution shall be passed at the next Board or committee meeting approving the minutes of the previous Board or committee meeting as presented or as amended.

The minutes of the meeting approved by resolution and, where applicable, certified, will serve as the official record of the Board or committee meeting, as the case may be.

12. **Board Deliberations and Confidentiality**

The Board of Directors recognizes that certain materials for, or deliberations by, the Board must remain in confidence with the Board. Directors will respect the provision that the official record of the Board's deliberations is provided through the approved minutes of the Board meeting. The views or opinions of individual Directors or managers shall be treated with an appropriate level of respect and confidence.

13. **Extraordinary Meetings of the Board**

Extraordinary meetings of the Board may be held at any time at the call of the Chair or, in the Chair's absence, by the Vice Chair (if one is appointed), or the Chair, Governance and Human Resources Committee or at the call of any three Directors. The Chair shall be bound to call such a meeting of the Board on the request of three Directors and, if the Chair fails to do so within twenty-four (24) hours from receipt of such request, any three Directors may convene an extraordinary meeting of the Board.

Notice of an extraordinary meeting of the Board shall be given to Directors not less than two full days before the date of the meeting, and shall be delivered by mail, facsimile, electronic mail or by other

methods of transmitting visually recorded messages or communicated orally by telephone. If all of the Directors known to be in the Province of British Columbia at the time such special meeting is held are present at such meeting, notice thereof may be waived by them.

14. **Information Material for Board Meetings**

Material distributed to the Directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered and the decisions required from the Board. Materials assembled in support of Board meetings will be coordinated by the Corporate Secretary who will distribute them with the Board meeting agenda. All materials submitted for consideration by the Board or by a committee become part of the record of the Board, and shall be deposited with the Corporate Secretary for maintenance, safekeeping, and access.

Reports may be presented during Board meetings by Directors, the CEO, the Corporate Secretary, or by invited Officers, employees and advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to Directors, identifying the principal decision items and impacts arising from the issue or matter so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance. Certain materials, due to their sensitivity, may be considered strictly confidential and are not for discussion outside of the Board meeting.

15. **New Director Orientation**

New Directors will be provided with an orientation and education program which will include written information about the duties and obligations of Directors and documents from recent Board meetings. The orientation program for each new Director will be tailored to that Director's needs and areas of interest.

16. **Assessing the Board's Performance**

The Governance and Human Resources Committee is responsible for assessing the overall performance of the Board and its committees, at such frequency, scope and form to be determined, as the Governance and Human Resources Committee deems necessary. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. As part of the process the Board will solicit and consider input from the CEO and, through the CEO, senior management.

17. **Board Compensation**

See Tab 13 Director Fees and Expenses.

18. **Terms of Service**

The term of service for a Director is established by section 8 of the *Safety Authority Act*.

19. **Appointment of Chair**

The process for the appointment of the Chair is set out in Appendix "B". Board members who have served as Chair for 10 consecutive years are not eligible for reappointment.

The desired skills and characteristics of the Chair are set out in Appendix "C" in the Board Chair Skills Matrix.

20. **Outside Advisors for Individual Directors**

Occasionally, a Director may need the services of an advisor to assist with matters involving responsibilities as a Director. A Director who wishes to engage an outside advisor at the expense of Technical Safety BC must first obtain the authorization of the Board Chair.

21. **Administrative Support for Directors**

The Corporate Secretary will provide all required administrative services for Directors in their capacity as Directors of Technical Safety BC.

22. **Board of Directors Guidelines and Review**

The Governance and Human Resources Committee annually reviews these guidelines and makes recommendations to the Board when necessary.

23. **Board Recruitment**

1. **Nominating Process for Vacancies**

The Governance and Human Resources Committee, acting in its capacity as the nominating committee, is responsible for administering the process to fill vacancies on the Board of Directors. To begin the committee prepares and recommends to the Board for its approval, a profile setting out the skills, experience, and expertise (the “Skills Profile”) that should be represented on the Board in order for the Board to oversee the operations of Technical Safety BC in an efficient and cost-effective manner.

The Governance and Human Resources Committee will review from time to time the Skills Profile and recommend any changes to the Board for approval. The current Skills Profile, as approved by the Board, is set out herein as Appendix “D”.

At least one month prior to the deadline for applications, Board vacancies are advertised in regional newspapers. Technical Safety BC stakeholders, trade organizations or business groups may also be contacted to attract applicants from diverse backgrounds.

The recruitment process, including the application form, is posted on the Technical Safety BC website. The Corporate Secretary or a designated representative receives applications and responds to enquiries from interested applicants.

The nominating committee reviews applications and may interview any or all applicants. Based on the relevant criteria, the committee will make its best efforts to submit a list to the Board of at least one more nominee than the number required to fill the vacancies on the Board.

The Board reviews the nominees and makes its selection from the list submitted by the committee based upon the principle of merit.

2. Diversity

The Technical Safety BC Board recognizes that diversity among its members will support balanced decision and debate which, in turn, will enhance decision making by the Board by including different perspectives and ideas, mitigating against groupthink, and ensuring the Board benefits from all available talent. The Technical Safety BC Board holds the view that a diverse Board makes prudent business sense and makes for better corporate governance.

The Technical Safety BC Board seeks to maintain a composition of talented and dedicated Directors with a diverse mix of expertise, experience, skills and backgrounds that is reflective of the nature of the business environment in which Technical Safety BC operates, including the composition of its employee base and the people and the communities it serves. For purposes of Board composition, diversity includes, but is not limited to, business and other experience, skills, education, gender, age, socioeconomic status, ethnicity, Indigenous peoples' status, and geographic location.

The selection of candidates for nomination to the Technical Safety BC Board is based on merit against objective criteria. Within that overriding emphasis, the Board seeks to fill vacancies among its members by considering candidates that have skills and experience consistent with the Skills Profile, and bring additional diversity of background.

The Board, through the Governance and Human Resources Committee, regularly reviews the diversity achieved on the Board, and this review informs the diversity priorities that are set each time a search is conducted for a new Director. In setting these priorities, the level of representation of women on the Board is specifically considered, with the objective being a balanced gender distribution.

As the Safety Authority Act limits Directors to serving a maximum of two three-year terms, there is a recurring opportunity to ensure an appropriate balance on the Board

between the experienced perspective of long term Directors and new perspectives that bring fresh insights. As a result, generally the Board will be able to make timely progress in achieving the Board's diversity priorities, without the need to increase the overall size of the Board. From time to time, however, the Board may seek a temporary increase in the size of the Board to enable the early recruitment of one or more specific candidates as a means of enhancing or sustaining key skills, experience and/or the diversity objectives of the Board.

3. **Nominating Process for Renewal Terms**

Where the term of an incumbent Director is about to expire and the incumbent is eligible for re-appointment and wishes to remain on the Board for a further term, it is considered that no vacancy on the Board exists. Therefore, the Board may re-appoint the incumbent using the process for renewal terms outlined below, provided that the incumbent has performed satisfactorily.

The Governance and Human Resources Committee, acting as the nominating committee, co-ordinates the evaluation process for the Director(s) to be re-appointed and makes the appropriate recommendation to the Board. The Chair of the Board, in consultation with the Chair of the Governance and Human Resources Committee, completes an evaluation form as set out in Appendix "E" with respect to each Director to be appointed. The Chair of the Board may also consult others, including the President and CEO, as deemed advisable.

The evaluation of each Board member is reviewed by the members of the Committee at an in-camera meeting.

The Board reviews the recommendation and confirms or rejects the re-appointment based upon the principle of merit.

24. **Ongoing Director Education**

The Board recognizes the importance of ongoing director education and the need for each Director to take personal responsibility for this process.

To facilitate ongoing education, the Governance and Human Resources Committee will:

- Periodically canvass the Directors to determine their training and education needs and interests;
- Arrange for the attendance at Technical Safety BC expense at seminars or conferences of interest and relevance to their position as a Director of Technical Safety BC with the approval of either of the Chair of the Board or the Chair of the Governance and Human Resources Committee; and
- Encourage and facilitate presentations by Technical Safety BC employees and by outside experts to the Board or committees on matters of particular import or emerging significance.

No Board fees will be payable in respect of a Board member's attendance at an educational session.

25. **Strategic Planning Process**

The Strategic Advisory Committee of the Board assists the Board in fulfilling its stewardship of Technical Safety BC's strategic planning process. The annual planning process for Technical Safety BC is as follows:

1. The Chair of the committee and the CEO lead a discussion with the committee to agree upon areas of strategic interest, areas of the current strategic plan being considered for further discussion and potential change and the ongoing effectiveness of established major goals and objectives.
2. The CEO, with the advice of the Chair of the committee, determines the location, speaker and facilitators for Board strategic planning sessions.
3. Based on the initial discussion of the committee, the CEO and executive team prepare a draft strategic plan, (when required) a planning package consisting of scans, positions on strategic issues, other relevant information and an agenda.
4. The CEO seeks approval and endorsement from the Chair of the committee and the Chair of the Board on the draft strategic plan, planning package and agenda. These documents are subsequently provided to all other Board members.

5. A strategic planning session is held with the entire Board and executive. Here the Board discusses and questions the material contained in the planning package. They provide feedback, advice and guidance.
6. Based on the feedback, advice, and guidance received during the strategic planning session, the CEO finalizes the strategic plan (if required) and submits it for approval to the Board.
7. After approval of the strategic plan by the Board, the executive establishes its targets and completes its detailed operational business plans.
8. After approval of the strategic plan, an annual budget is prepared for recommendation by the Finance and Audit Committee to the Board for approval.

APPENDIX “A”**Excerpt from *Safety Authority Act***

Persons qualified to be directors

- 10** (1) A person must not become a director or act as a director of the authority unless that person is an individual who is qualified to do so.
- (2) An individual is not qualified to become a director or to act as a director of the authority if that individual is
- (a) under the age of 18 years,
 - (b) found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs,
 - (c) an undischarged bankrupt, or
 - (d) convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or an unincorporated business, or of an offence involving fraud, unless
 - (i) the court orders otherwise,
 - (ii) 5 years have elapsed since the last to occur of
 - (A) the expiration of the period set for suspension of the passing of sentence without a sentence having been passed,
 - (B) the imposition of a fine,
 - (C) the conclusion of the term of any imprisonment, and
 - (D) the conclusion of the term of any probation imposed, or
 - (iii) a pardon was granted or issued under the *Criminal Records Act* (Canada).

Standard of conduct of director or officer

- 11** (1) A director or an officer of the authority, when exercising the powers and performing the duties and functions of a director or an officer of the authority, must do all of the following:
- (a) act honestly and in good faith;
 - (b) act with a view to the best interests of the authority;
 - (c) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;
 - (d) act in accordance with this Act, the *Safety Standards Act* and the regulations under them;
 - (e) subject to paragraphs (a) to (d), act in accordance with any provisions of the *Business Corporations Act* that apply to the authority.
- (2) The appointment of a director appointed under section 8 (1) (b) may be rescinded only by a resolution of more than 2/3 of all the directors, stating that they consider the director to have failed to adhere to a standard of conduct under subsection (1).
- (3) This section is in addition to, and not in derogation of, any enactment or rule of law or equity relating to the duties or liabilities of directors and officers of a corporation.
- (4) No provision in a contract relieves a director from
- (a) the duty to act in accordance with this Act, the *Safety Standards Act* and the regulations under them or any applicable provision of the *Business Corporations Act*, or
 - (b) liability that by virtue of any enactment or rule of law or equity would otherwise attach to that director in respect of any negligence, default, breach of duty or breach of trust of which the director may be guilty in relation to the authority.

APPENDIX “B”**Process for Appointing Board Chair**

The Governance and Human Resources Committee (the "Committee") shall act as the nominating committee in the selection of a Board Chair. Any member of the Committee who is being considered by the Committee as a candidate for the position of Board Chair will not participate in the work of the Committee with respect to the selection of the Board Chair.

In advance of the expiry or end of the term of a Board Chair, the Committee shall report to the Board with respect to the appointment (or reappointment) of a director to serve as Board Chair. Such report shall include the recommendations of the Committee. In developing its report and recommendation, the Committee shall consult with members of the Board and take such actions as it considers appropriate.

The Board shall review the report and recommendations of the Committee. The Board Chair shall be appointed by Board resolution.

APPENDIX “C” Board Chair Skills Matrix

Generally the Board Chair will be elected from amongst the existing members of the Board. That said, there are some unique skills and characteristics over and above those that supported a person being appointed to the Board that are desirable for a Board Chair to possess.

In considering these factors it is useful to recall the three groups that the Board Chair has influence upon: i) other Board members; ii) the CEO and management team; and iii) external stakeholders (e.g., the Government, industry associations, other regulators, duty holders, the public). Some attributes set out below are of general application, while others are of more unique consideration to serving as a Board Chair of Technical Safety BC:

1. Must be a seasoned leader with a good understanding of Technical Safety BC’s mandate and business, and the environmental context in which it operates.
2. Needs to have good judgment, integrity, intelligence and be a good listener.
3. Must have a demonstrated ability to lead the Board in a positive and constructive manner.
4. Should be a flexible thinker, comfortable with people of all types, calm, friendly and humble.
5. Has a strong commitment to the organization.
6. Is focused on getting things done.
7. Sees the bigger picture, i.e., not too operational in focus.
8. Needs to be a proactive and forward thinker who understands the organization has to prepare for change and that Technical Safety BC operates in an environment where change/transformation is a constant.
9. Respected by fellow Board members.
10. No obvious alignment with any subset of the Board (i.e., not part of a clique or voting bloc).
11. Willing to challenge Management but in a respectful and supportive manner.
12. Relates well to, and able to work effectively with, the CEO.
13. Understands the prime accountabilities of the Board (e.g., to supervise Management; ensure a succession planning framework is in place; provide oversight of/input on the development and implementation of the organization’s strategic direction; accountability for oversight of the

- enterprise risk management framework; adequacy of internal controls; supervision of financial affairs, etc.).
14. Significant Board experience gained across a range of Boards (enables them to bring learnings/insights from other Boards and has seen other Board Chairs in action).
 15. Good understanding of, and sets the tone and culture for, effective corporate governance.
 16. Understanding of governance procedures (i.e., the mechanics of managing a meeting, succession of Board members, Committee Chairs, etc.).
 17. Must know how to manage a meeting – leads the setting of and keeps to the Agenda; observes timelines; does not dominate the discussion; enables all Board members to have a say; knows when to bring a discussion to a close without stifling Board member participation; manages dissent; works towards consensus.
 18. Sharp facilitation skills and the ability to foster high-quality conversation and debate by drawing out alternative perspectives and synthesizing contrasting perspectives into deeper insights
 19. No obvious conflicts and if there are any, they are manageable.
 20. Well regarded by Government and other key stakeholders. (Any candidate for Technical Safety BC Board Chair must be very forthright about any problematic relationships with key Government members or with significant stakeholders).
 21. The Board Chair will be the public face of Technical Safety BC – there must not be matters in their personal or business affairs that could cause embarrassment either to Technical Safety BC or the Government of the day.
 22. Because the Board Chair is the face of Technical Safety BC, they should be a good communicator.
 23. Willingness and ability to serve as mentor to the CEO.
 24. Is able to mentor and guide Committee Chairs (to facilitate the growth of a future Board Chair).
 25. Takes Board/Director evaluation seriously and is willing to provide constructive feedback to Board members to ensure the optimal functioning of the Board and the individual growth of Board members.
 26. It is useful if the Board Chair has connections/a positive relationship with Government or other key stakeholders that can advance the interests of the organization.

Key questions to ask a prospective Board Chair:

1. Do you want the job?
2. Do you respect the work, skills and attributes of the CEO (in other words, do you believe you can work effectively with the CEO)?
3. Do you have time?
4. Can you hear a really stupid comment or question without rolling your eyes?
5. Can you ask someone a tough question in a really constructive way?
6. Can you meet with the CEO (preferably face to face) on a monthly basis?
7. Do you consider yourself a good coach/mentor (i.e., for the CEO)?
8. The issues identified in points 19, 20 and 21 above should also be specifically addressed with any candidate for Board Chair.
9. What will you change? What will you not change?
10. Are there any matters or circumstances that may affect your ability to lead the organization, or may affect others' perception of you as Chair of Technical Safety BC or their perception of the organization itself?
11. What will you do if another candidate is selected?

APPENDIX “D” BOARD OF DIRECTORS SKILLS AND EXPERIENCE

SKILLS MATRIX

		Area of Director Contribution										
		Director 1	Director 2	Director 3	Director 4	Director 5	Director 6	Director 7	Director 8	Director 9	Director 10	Director 11
Ranking by Total Number of Responses		1	2	3	4	5	6	7	8	9	10	11
Strategic	1	10	8	9	8	9	8	7	7	7	5	5
Risk Management	2	7	6	7	6	9	6	5	4	8	4	5
Senior Executive	3	3	6	7	8	6	8	7	0	7	6	2
Governance	4	10	7	7	4	5	3	4	5	2	3	1
Regulatory/Environment	5	8	1	8	5	1	4	3	5	2	4	7
Transition/Change Management	6	4	9	5	4	3	5	4	4	2	3	2
Regulated Industry Knowledge/Strategic Customer	7	2	1	2	3	1	9	2	3	3	8	9
Knowledge-based/Social Scientist	8	6	5	6	5	2	2	5	10	0	0	0
Government Relations	9	10	1	10	8	0	0	6	4	0	0	0
Financial Literacy	10	2	2	4	4	10	4	1	0	9	3	0
Human Resources	11	6	9	2	2	1	4	1	4	1	2	4
Communications/Social Media	12	5	7	2	5	2	0	3	2	1	0	1
Technology and Data Analytics	13	0	9	0	0	9	1	2	1	4	1	0
Legal	14	2	0	2	2	0	2	2	0	1	0	0

Category	Criteria
Governance	Significant experience and expertise serving on a board of directors for a business at least similar in size to Technical Safety BC. For example, you have served in a leadership capacity or served for more than three years on such board(s).
Human Resources	Experience or expertise in a leadership role or providing professional advice with respect to human resources management (including performance management systems and leadership development) and compensation in a business equal in size to or larger than Technical Safety BC.
Financial Literacy	Examples of experience or expertise would include: <ul style="list-style-type: none"> ▪ executive officer responsibility for financial reporting and analysis in a business (e.g., CFO, Controller or Treasurer); ▪ position held as an advisor or executive officer in the financial industry; ▪ professional designation in finance or accounting industries (e.g., Chartered Accountant or Chartered Financial Analyst); or ▪ experience in internal audit.
Risk Management	Experience and expertise in a leadership role or providing professional advice with respect to current risk management principles and practices, including the establishment of risk tolerance and modern-day risk management systems.
Technology	Experience in using technology strategically to advance business objectives.
Legal	Broad legal experience (private practice or in-house) with a solid understanding of corporate and/or administrative and regulatory law.
Government Relations	Experience within government (political or bureaucratic) at a senior level or in an executive leadership or consulting capacity or a strong understanding of the workings of government and public policy. Track record developing and implementing a strategic approach to government relations at the municipal and/or provincial level.
Strategic	Track record of providing a strategic perspective and thinking, including; experience with effecting transformational change and the development and implementation of a strategic plan for a large organization.
Industry Knowledge / Strategic Customer	Examples of experience or expertise include: <ul style="list-style-type: none"> ▪ Experience in an executive role with knowledge of the safety and technical issues that Technical Safety BC regulates. Ideally with demonstrated experience in safety systems thinking, i. e., the ability to see the relationship between the various components of the technical safety system to each other and to other systems. ▪ Previous experience in a leadership role relevant to Technical Safety BC target market clients. Understand the players and have connections with relevant players.
Senior Executive	Experience in a leadership role in an organization similar in size or

Category	Criteria
	larger than Technical Safety BC. Experience with diversification and product line development. Demonstrated entrepreneurial success and experience in: generating new ideas, products, services, or business processes; recognizing and taking advantage of market opportunities.
Regulatory/ Enforcement	Experience in a leadership role in a regulated industry, including policy development and analysis.
Transition/Change Management	Experience in a leadership role with implementation of large-scale change at an organization and experience with communications related to such change.
Knowledge-based /Social Scientist	Experience in a leadership role in a knowledge-based business, including expertise in research and managing the knowledge/data as an asset. Understanding human behaviour and experience in incenting behaviour for desired outcomes.
IT/Data Analytics	Senior leadership in businesses heavily dependent on information technology, including data analytics and expertise in business intelligence and product development.
Communications/Social Media	Experience in a leadership role in an organization similar in size or larger than Technical Safety BC or in a consulting capacity in corporate communications, including experience in the use/impact of social media in today's business environment.

PERSONAL ATTRIBUTES

In addition to the specific skills and experience referenced above, each Director is chosen in consideration of the following personal attributes.

- accountability;
- demonstrated high ethical standards and integrity in their personal and professional dealings, and who are willing to act on, and remain accountable for, their boardroom decisions;
- informed judgment;
- ability to provide wise, thoughtful counsel on a broad range of governance issues;
- mature confidence and leadership – experience-driven perspective and self-awareness of emotional patterns and triggers;
- preference for Board and team performance over individual performance;
- respect for others;
- high performance standards;
- express thoughts and ideas clearly and with respect for the views of others and listens actively;
- influencer – has credibility with Management and other directors;
- is passionate about the success of Technical Safety BC;
- strong understanding of fiduciary responsibility to the long term sustainability of Technical Safety BC;
- a history of achievements that reflect high standards for themselves and others;
- ability to commit time required to fulfill the expectations of a director; and
- no real or perceived conflicts.

APPENDIX “E”**TECHNICAL SAFETY BC
BOARD MEMBER EVALUATION FORM****Member:** _____**Year Appointed:**

1. **DEGREE AND VALUE OF PARTICIPATION:** *(Please refer to member’s subject knowledge, use of good judgment, and ability to work with others)*
2. **COMMITMENT TO AUTHORITY GOALS:**
3. **ATTENDANCE:**
4. **COMMITTEE MEMBERSHIPS:**
5. **SPECIAL ACTIVITIES:**
6. **ADDITIONAL COMMENTS:**

STATEMENT OF RECOMMENDATION:I, recommend / do not recommend

_____ for reappointment to the board above.

Signature_____
Date

7.1 GOALS AND OBJECTIVES

The Chair is appointed by the Directors. The Chair, as the presiding Director, provides leadership in guiding the Board and coordinating its activities in the best interests of Technical Safety BC. The Chair represents the Board at the Annual Public Meeting.

7.2 DUTIES AND RESPONSIBILITIES

The Chair:

- Provides leadership to the Board and chairs Board meetings.
- Ensures the Board has full knowledge of Technical Safety BC business and affairs that will permit it to be informed of, and make decisions on, major developments, and is alert to its obligations to the Province, stakeholders, and under the law.
- Communicates, builds consensus, and develops teamwork within the Board.
- Develops the agenda for Board meetings in consultation with the CEO and Corporate Secretary.
- Recommends annually the necessary committees and the appointment of Committee Chairs and members to the Board for approval
- Is an *ex-officio* member of all committees and attends committee meetings as appropriate.
- Establishes in advance, the Board calendar, the frequency of Board meetings, and coordinates fulfillment of the requirements set by the Board Governance Manual.
- Annually leads the review and assessment of Board composition, performance and compensation, all in conjunction with the Governance and Human Resources Committee of the Board.
- Ensures, with the assistance of the Corporate Secretary, that there is an orientation program for new Directors and an ongoing development program for existing Directors aimed at increasing the Directors' familiarity with Technical Safety BC.
- Meets annually with each Director individually.

8.1 GOALS AND OBJECTIVES

As a member of the Board, each Director will:

- (i) Fulfill the legal requirements and obligations of a Director, which include a comprehensive understanding of the statutory and fiduciary roles;
- (ii) Act in the best interests of Technical Safety BC at all times; and
- (iii) Participate in the review and approval of Technical Safety BC's policies and strategies, and in monitoring their implementation.

8.2 DUTIES AND RESPONSIBILITIES

Board Activity

As a member of the Board, each Director will:

- (i) exercise good judgment and act with integrity;
- (ii) use his or her ability, experience, and influence constructively;
- (iii) be available as a resource to the Board;
- (iv) respect confidentiality;
- (v) advise the Chair in advance of the intention to introduce significant and previously unknown information at a Board meeting;
- (vi) respect the difference between governing and managing, and not encroach on the areas of responsibility of the management of Technical Safety BC;
- (vii) identify potential conflict of interest areas, real or perceived, and ensure that they are appropriately reviewed;
- (viii) as necessary and appropriate, communicate with the Chair between meetings;
- (ix) demonstrate a willingness and availability for individual consultation with the Chair; and
- (x) comply with the Code of Ethical Conduct for Directors and Officers.

Preparation and Attendance

To enhance the effectiveness of Board and committee meetings, each Director will:

- (i) prepare for each Board and committee meeting by reading the reports and background materials provided for the meeting; and
- (ii) maintain an excellent Board and committee meeting attendance record.

Communication

Communication is fundamental to Board effectiveness and, therefore, each Director will:

- (i) participate fully and frankly in the deliberations and discussions of the Board;
- (ii) encourage free and open discussion of the affairs of Technical Safety BC by the Board;
- (iii) ask probing questions, in an appropriate manner, and at proper times;
- (iv) focus enquiries on issues related to strategy, policy, implementation, and results of Technical Safety BC; and
- (v) maintain confidentiality of information as per the Code of Ethical Conduct for Technical Safety BC Directors and Officers.

Public communication of the Board activities will normally be conducted by the Board Chair.

Independence

Recognizing that the cohesiveness of the Board is an important element in its effectiveness, each Director will:

- (i) be a positive force with a demonstrated interest in the long-term success of Technical Safety BC; and
- (ii) not allow private or external interests to interfere with the Director's fiduciary responsibility to act in the best interests of Technical Safety BC.

Board Interaction

As a member of the Board, each Director should establish an effective, independent, and respectful presence and a collegial relationship with other Directors.

Committee Work

In order to assist committees in being effective and productive, each Director will:

- (i) participate on at least one committee and become knowledgeable about the purpose and goals of the committee; and
- (ii) understand the process of committee work, and the role of Technical Safety BC management and employees supporting the committee.

Business, Authority and Industry Knowledge

Recognizing that decisions can only be made by well-informed Directors, each Director will:

- (i) become generally knowledgeable of the business of Technical Safety BC and its industries;
- (ii) develop an understanding of the unique role of Technical Safety BC within the community;
- (iii) maintain an understanding of the regulatory, legislative, business, social, and political environments within which Technical Safety BC operates; and
- (iv) be an effective ambassador and representative of Technical Safety BC.

9.1 GOALS AND OBJECTIVES

Reporting to the Board of Directors, the President and Chief Executive Officer is accountable for the success of Technical Safety BC and for building a community presence.

9.2 DUTIES AND RESPONSIBILITIES

The President and Chief Executive Officer will:

- work with the Board in building the strategic vision of Technical Safety BC;
- implement decisions of the Board in order to achieve the long-term strategic and annual business goals of Technical Safety BC. Develop strategic and operational plans to ensure the goals and objectives of Technical Safety BC are efficiently and effectively met;
- oversee the development of policies and programs, ensuring consistency with the acts and regulations. Provide direction and advice to the Board on matters concerning the jurisdiction, function and operation of Technical Safety BC;
- interpret the legislation and regulations to ensure consistency in the implementation and administration of program delivery throughout the Province. Develop recommended revisions to legislation, regulations, codes and standards for the Board of Director's review;
- direct the development of a balanced fee structure to recover costs of services provided, and ensure Technical Safety BC is financially self-sustaining;
- identify business opportunities, and develop strategies, capabilities and resources to maximize revenue potential;
- ensure accountability through appropriate financial and performance reporting to the Board. Ensure effective financial and administrative systems are in place. Monitor implementation of strategic financial plans. Develop and implement problem resolution strategies to achieve financial goals;
- oversee the establishment of Memorandums of Understanding (MOUs) with local governments and ensure objectives are met;

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- provide appropriate and timely advice, background information and briefing materials to the Board;
 - establish evaluation and performance measurement criteria to ensure outcomes align with the overall mandate and goals of Technical Safety BC. Prepare analyses of progress in achieving objectives, identify and determine the rationale for variances, and develop modifications to ensure targets are met;
 - ensure the effective management of Technical Safety BC's human resources, administrative, information and financial systems, and technical and physical resources;
 - ensure consolidated provincial safety data is developed and maintained;
 - be the primary spokesperson for Technical Safety BC as outlined in Technical Safety BC's communications policy; and
 - ensure Technical Safety BC has a communications policy that provides effective representation for Technical Safety BC.

10.1 ROLE OF THE CORPORATE SECRETARY

The Corporate Secretary reports to the Board through the Board Chair. The primary role of the Corporate Secretary is to provide support to the Board of Directors and its committees.

10.2 DUTIES AND RESPONSIBILITIES

- Supporting the Board and Committee Chairs in the preparation of Board and committee meetings: oversees the setting of the agenda and ensures necessary materials are prepared for meetings.
- Participating actively in Board and Board committee meetings, as required.
- Supporting the Chair in ensuring effective Board functioning; ensuring the confidentiality of Board and Board committee deliberations as appropriate; ensuring Board procedures are followed; ensuring that legislation, rules and regulations are complied with (including disclosure requirements); and, coordinating correspondence, action items and employee communications on Board or Board committee issues and/or directives.
- Providing information and advice to the Board and Management on corporate policies and practices, and governance framework matters.
- Referring issues for legal review and opinions as required.
- Developing and monitoring Technical Safety BC's governance framework: reviewing the framework and processes for effectiveness; identifying areas requiring revision and making related recommendations; and, implementing approved framework and process changes.
- Reviewing Board and Board committee meeting minutes for consistency and for issues of broader implication and ensuring that decisions are recorded.
- Enabling and assisting in the orientation of new Directors.
- Providing advice, developing and updating directives to Management regarding corporate and statutory documentation requirements.

- Acting as a custodian/resource for corporate documents, meeting minutes and other historical information; and, arranging for updating of Board/policy information.

10.3 ROLE OF THE ASSISTANT CORPORATE SECRETARY

The Assistant Corporate Secretary, if one is appointed, reports to the Corporate Secretary. The primary role of the Assistant Corporate Secretary is to facilitate the flow of information to and from the Board and its committees.

10.4 DUTIES AND RESPONSIBILITIES

- Coordinating, preparing and disseminating Board documents, agendas, information packages and Management reports for Board meetings.
- Arranging and attending Board and Board committee meetings, and being the recording secretary for Board and Board committee meetings.
- Ensuring and maintaining the confidentiality of Board and committee deliberations as appropriate.
- Providing advice to Technical Safety BC employees respecting the Board's information requirements; and communicating format, content and timeline requirements for Board or Board committee submissions.
- Responding to internal and external inquiries and acting as an information source on Board-related matters.
- Developing and maintaining the reference materials within the Governance Manual, including chronological summary of Board resolutions.

All Board committees shall be comprised of a minimum of three (3) and a maximum of eight (8) Directors appointed by the Board. Each member of a committee shall continue as a member thereof until a successor is appointed, unless the member resigns or is removed by the Board, or the member otherwise ceases to be a Director of Technical Safety BC.

The Board, upon the recommendation of the Board Chair, shall appoint a Chair from among the committee members. If the Chair of the committee is not present at any meeting of the committee, and the Committee Chair has not nominated an acting Committee Chair for the meeting, the Chair of the meeting shall be chosen by the committee from among the members present.

The Chair presiding at any meeting of the committee shall have a vote in all matters considered by the committee. In the event of a tie, the matter shall be referred to the Board as a whole for decision.

11.1 MEETING AND PROCEDURES

Committees meet as deemed necessary. A meeting may be called upon the request of the Chair, any two members of the committee, the Chair of the Board of Directors, or the President and CEO, if and when deemed necessary.

An outline of material issues addressed by the committee, all recommendations of committee members, as well as decisions and directives of the committee shall be recorded in the minutes of each meeting. The draft minutes shall be circulated to the Board prior to the next following committee and Board meetings respectively. The Committee Chair shall make a verbal report of each meeting to the Board at the next meeting of the Board and bring forward any recommendations.

The CEO will attend or appoint a senior executive or other Technical Safety BC employee to be in attendance, if required.

A quorum shall be a majority of appointed committee members.

11.2 ACCESS TO CORPORATE RECORDS/PERSONNEL

In performing any of its duties and responsibilities, each committee shall have access to any and all books and records of Technical Safety BC required for the execution of the committee's responsibilities and, as necessary, shall discuss with appropriate Technical Safety BC Officers and employees such records and other relevant matters. Directors must respect the organizational structure of management. No Director has authority to direct Technical Safety BC employees. A Board member's request for information should be coordinated through the President and CEO or the appropriate Vice President.

11.3 COMMITTEES OF THE BOARD

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities. The Committee has primary responsibility for the oversight of financial reports, systems of internal control, budgets, the activities of the internal audit function, the external auditor and accounting policies on behalf of the Board to ensure the overall quality and integrity of the financial reports and internal control systems of Technical Safety BC.

Duties and Responsibilities

The Finance and Audit Committee's duties and responsibilities include the following:

1. Review and recommend approval to the Board of Technical Safety BC's annual budget;
 2. Review quarterly interim financial statements and forecasts for internal use;
 3. Review and recommend approval to the Board of the annual financial statements;
 4. Review Management's report of the principal financial and financial reporting risks and control plans annually;
 5. Review Technical Safety BC's insurance coverage annually and recommend approval of Technical Safety BC's insurance program to the Board;
 6. Review Technical Safety BC's claims experience under its insurance program on an annual basis;
 7. Review and recommend approval to the Board of Technical Safety BC's major investments and divestitures, including capital expenditures and major acquisitions or dispositions of significant assets;
 8. Review the financial risks related to the acquisition and acceptance of information technology (hardware and software) and make recommendations to the Board, as appropriate;
 9. Review and recommend approval to the Board of investment policies and monitor compliance with Board approved investment policies;
 10. Review annually the performance of any external investment manager(s) retained by Technical Safety BC and make recommendations for their continuation or otherwise to the Board, as appropriate;
 11. Review and recommend approval to the Board of Technical Safety BC's Spending Authority Policy and other internal control policies and procedures (including those relating to financial reporting) and monitor compliance with such Board approved policies;
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12. Recommend to the Board the type and level of fees to be charged to outside parties by Technical Safety BC;
 13. Approve the external auditor's annual audit plan, including: (1) identifying and recommending the external audit firm to the Board to serve for the following year, and (2) the compensation and oversight of the work of Technical Safety BC's external auditor;
 14. Determine, at least annually, that the external auditor is independent of Technical Safety BC. Monitor the external audit firm's rotation of its engagement and concurring audit partners;
 15. Review annually the quality of the audit, the audit team and the audit partner;
 16. Perform a comprehensive review of our external auditor every five years and consider whether a Request for Proposal is necessary;
 17. Review Technical Safety BC's critical accounting policies, and significant accounting, reporting and financial presentation issues;
 18. Pre-approve all non-audit services to be provided to Technical Safety BC by the external auditor;
 19. Review and recommend approval to the Board of Management's Discussion and Analysis and any other financial information to be included in Technical Safety BC's Annual Report and other public documents;
 20. Review all recommendations of Technical Safety BC's external auditor for improvement/change and Management's response/follow-ups;
 21. Ensure that Technical Safety BC has appropriate procedures for:
 - a. the receipt, retention and treatment of complaints or concerns received by Technical Safety BC regarding accounting, internal accounting controls, or auditing matters;
 - b. confidential, anonymous submissions by employees of Technical Safety BC of concerns regarding suspect, questionable, unethical, and unlawful accounting or auditing policies, practices or procedures;
 22. Review annually the accrued and paid fees and expenses of individual Directors and the Board;
 23. Review annually the terms of any custodial agreement that Technical Safety BC may have in place, as well as Technical Safety BC's authorized signatories on the account(s) established pursuant to any such custodial agreement;
 24. Review the Committee's terms of reference and the Committee's effectiveness on an annual basis and make recommendations to the Governance and Human Resources Committee and/or the Board for change as appropriate;
 25. Have the duties and responsibilities with respect to Internal Audit that are provided in Internal Audit's Charter; and
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26. Have such other duties, power and authority as the Board may delegate to the Committee from time to time.

Procedural and Administrative Matters

The external auditor of Technical Safety BC shall, at the expense of Technical Safety BC, be entitled to attend and be heard at any meeting of the Finance and Audit Committee.

The Committee may in its discretion meet privately with the external auditor without members of Management present.

Finance and Audit Committee's Specific Accountabilities for Oversight of the P4 Business Transformation Project (P4):

- (a) Ensure oversight of project scope and implementation, and continued alignment with Technical Safety BC's strategic business priorities;
- (b) Review and recommend approval to the Board of proposed material ¹ changes to project budget, scope and timing;
- (c) For greater certainty, if the P4 expenses for a phase of the project are in excess of the amount budgeted but within the contingency approved by the Board for the project for the relevant time period, Management may proceed to authorize the expenditure (to the extent it is within their spending authority as set out in Technical Safety BC's Spending Authority Policy), provided the Executive Sponsor reports on the expenditure in the next quarterly project status report to the Committee;
- (d) Receive, at least quarterly, reports from the Executive Sponsor on project status including updates on budget (forecast to completion), scope, timing, benefits realization, release management, implementation, and governance practices, until effectively fully implemented;
- (e) Receive, at least quarterly, reports from the Executive Sponsor regarding the specific financial and non-financial risks associated with the project and ensure that such risks are fully understood and managed appropriately, with action plans in place to respond to any identified issues and any important topics relating to such risks to be reported to the Board;
- (f) Receive, at least quarterly, reports from the Executive Sponsor respecting progress against the approved business case and project execution metrics such as velocity, epic or release burndown, and user stories being deferred. The Executive Sponsor will also provide analysis of the metrics to compare with ideal or expected project progress and measures taken to keep the project on track; and
- (g) Engage an independent auditor to conduct an independent risk assessment.

¹ "Materiality" in these respects will be determined from time to time by the Finance and Audit Committee and evidenced in a resolution.

GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The Governance and Human Resources Committee assists the Board in oversight responsibilities relating to Technical Safety BC's governance and its obligations relating to human resource and compensation policy and related matters, and to establish a plan of continuity of senior Management for Technical Safety BC and when required makes recommendations to the Board for approval. On an annual basis the Corporate Secretary will support the Committee in developing a work plan that details which of its accountabilities outlined in these terms of reference it will undertake within a given calendar year, and to what extent.

1. The Committee is charged with the following duties and responsibilities with respect to **governance**:
 - a. reviewing the overall governance framework of Technical Safety BC on an annual basis and identifying areas of concern and recommending changes based on best practices in governance and disclosure;
 - b. reviewing annually the terms of reference for the Board, Committees and the Chair and making recommendations accordingly;
 - c. reviewing the skills and experience of Board members and identifying the ongoing needs of the Board;
 - d. acting as the Nominating Committee as required by the *Safety Authority Act*;
 - e. nominating new members of the Board for Board approval;
 - f. providing a sound basis for Board member orientation;
 - g. establishing a basis from which to select the Chair, Vice-Chair and Committee Chairs;
 - h. establishing a basis for individual Board member development;
 - i. reviewing the overall performance of the Board and Committees, at such frequency, scope and form to be determined, as the Committee deems necessary;
 - j. ensuring that Technical Safety BC has a suitable process in place for confirming compliance with all legislative and regulatory requirements related to the governance of Technical Safety BC, including:
 - *Safety Authority Act* and Regulations
 - *Safety Standards Act* and Regulations
 - *Railway Safety Act* and Regulations
 - *Ombudsperson Act*
 - *Freedom of Information and Protection of Privacy Act*
 - Administrative Agreements

- Strategic Plan

and to receiving a report annually from Management as to the state of the organization's compliance with the principal legislative, regulatory and contractual requirements to which it is subject.

- k. approving on behalf of the Board, the Board calendar and meeting schedule;
 - l. annually reviewing and updating the Code of Ethical Conduct for Technical Safety BC Directors and Officers and associated declarations;
 - m. reviewing every three years the Administrative Agreements with the Province;
 - n. approving on behalf of the Board the arrangements, including the Agenda, for the Annual Public meeting; and
 - o. approving the Annual Report (excluding the Management Discussion and Analysis section and financial statements) on behalf of the Board.
2. The Committee is charged with the following duties and responsibilities with respect to **human resources**:
- a. providing recommendations on Board member compensation and reviewing these compensation levels periodically in relation to good practice;
 - b. providing recommendations on Technical Safety BC's compensation and benefits philosophy, strategy and guidelines against its business objectives, its operations and the risks to which it is exposed;
 - c. providing recommendations to the Board regarding incentive compensation plans;
 - d. approving the corporate measures results based upon the incentive plan approved by the Board in any given year;
 - e. reviewing and approving corporate goals and objectives relevant to the compensation of the President and Chief Executive Officer, evaluating on an annual basis the President and Chief Executive Officer's performance and reviewing and recommending to the Board the President and Chief Executive Officer's compensation in light of this evaluation, and providing performance feedback to the CEO on a quarterly basis;
 - f. reviewing and approving annual goals and objectives for the Corporate Secretary;
 - g. annually reviewing and recommending a succession plan for the President and Chief Executive Officer position and ensuring that

Technical Safety BC has a suitable succession planning process in place for executive and other leadership positions;

- h. reviewing and approving changes to human resources policies and practices to attain the strategic goals of Technical Safety BC;
- i. reviewing and providing recommendations to the Board on the collective bargaining strategy for Technical Safety BC;
- j. reviewing on an annual basis the performance and compliance of Management concerning occupational health and safety;
- k. receiving quarterly updates on Technical Safety BC's Occupational Health and Safety Program; and
- l. conducting an annual review and discussion respecting the state of the organization's culture.

The Committee shall review such other matters that may be referred to it by the Board for consideration and possible recommendation.

STRATEGIC ADVISORY COMMITTEE

The Strategic Advisory Committee assists the Board in fulfilling Technical Safety BC's vision of *Safe Technical Systems. Everywhere.* by reviewing Management's recommendations, and providing advice and assistance to the Board in the areas of strategic planning, implementation of key strategic initiatives, regulatory responsibilities, stakeholder consultation and safety oversight.

The Committee is charged with the following functions, duties and responsibilities:

1. Establishing with Management the process for developing Technical Safety BC's strategy and its implementation and clearly identifying goals and objectives for the annual strategic planning session;
 2. Assisting Management in determining whether Technical Safety BC's information technology programs effectively support Technical Safety BC's business objectives and strategy and, where required, making recommendations to the Board, save and except with respect to the P4 Business Transformation Project, which for efficient governance including budget, will reside with the Finance and Audit Committee;
 3. Review the adequacy of Technical Safety BC's data governance program annually and make recommendations to the Board, as appropriate;
 4. Review Management's report on its progress in managing Technical Safety BC's data as a material asset of the organization on a semi-annual basis;
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5. Ensure that Technical Safety BC has appropriate policies and procedures for data governance, risk and security, including:
 - a. a plan to periodically conduct risk assessments covering the organization's use of information technology; and
 - b. processes to ensure data integrity, including relevance, completeness, accuracy and timeliness, and its appropriate use within the organization;
 6. Overseeing that Technical Safety BC has suitable strategies and processes in place to:
 - a. fulfill its statutory mandate and meet its obligations under the Administrative Agreements with the Province,
 - b. support the development of any policies and legislation that will have a material impact on stakeholders, and
 - c. protect and proactively manage Technical Safety BC's reputation;
 7. Reviewing and recommending to the Board the approval of:
 - a. proposed revisions to the *Safety Standards Act*, the *Railway Safety Act* and the respective regulations for submission to the Minister; and
 - b. the report on the independent review of risk control processes for each technology under the Administrative Agreement (every 3 years);
 8. Approving on behalf of the Board, on an annual basis, Management's recommended approach for communicating the safety data that comprises the State of Safety report to government and our stakeholders;
 9. Review the adequacy of Technical Safety BC's Business Continuity Plan, as well as its critical incident response capability and preparedness, annually and make recommendations to the Board, as appropriate;
 10. Establishing a reasonable information and reporting system to allow the Committee to satisfy its oversight role with respect to strategy, risk and regulatory activities, including but not limited to, requiring reports at such frequency as the Committee deems necessary or at the frequency noted on:
 - a. Safety legislation;
 - b. Technical Committee and other consultation activities;
 - c. Regulation change strategy;
 - d. Enterprise risks and Technical risks (as risk reporting will generally be made directly to the full Board, requests for additional reporting to the Committee would be in the nature of more detailed reports focused on specific

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- Enterprise or Technical risks such as would enable the Committee to support the Board in its risk oversight responsibilities);
- e. The Structured Resource Allocation Program (at least annually);
 - f. Education, assessment and enforcement activities;
 - g. Business development;
 - h. Information technology strategy, including, reporting on IT vulnerability scan vs. penetration testing (at least annually), save and except with respect to the P4 Business Transformation Project, which for efficient governance including budget, will reside with the Finance and Audit Committee;

11. Review the Committee's terms of reference and the Committee's effectiveness on an annual basis and make recommendations to the Governance and Human Resources Committee and/or the Board for change as appropriate.

The Committee shall review such other matters that may be referred to it by the Board for consideration and possible recommendation.

COMMITTEES OF THE BOARD AS OF April 21, 2021

Finance and Audit Committee

Members: **Jeremy Black, Chair**
Jeremy Coughlin
Neil Cumming
Ivan Limpricht
Nancy Olewiler
Ken Tourand
George Abbott, Ex officio

Governance and Human Resources Committee

Members: **David Guscott, Chair**
Judy Cavanagh
Neil Cumming
Ivan Limpricht
Ken Tourand
Angela Wesley
George Abbott, Ex officio

Strategic Advisory Committee

Members: **Gail Stephens, Chair**
Judy Cavanagh
Jeremy Coughlin
Nancy Olewiler
Daniel Smythe
Angela Wesley
George Abbott, Ex officio

The Board may hold a planning session each year and may include on the agenda for the session a self-assessment in order to review its effectiveness and how governance can be improved.

12.1 TOPICS FOR DISCUSSION

Information that may be used as a basis for discussion includes, but is not limited to, the Board role in the achievement of corporate strategic goals and the achievement of Board governance objectives.

The following topics may also serve as useful discussion tools:

Board Operations

- composition of the Board;
- establishing meeting agendas;
- appropriate committees;
- roles and responsibilities for the Chair, Board and committees;
- periodic assessment by the Board of its performance; and
- succession planning.

Monitoring and Acting

- monitoring of Technical Safety BC's progress towards its goals and making recommendations for change in light of changing circumstances and specific government direction;
- assessing if the Board is provided with the necessary tools and knowledge to discharge its duties, i.e., adequate materials received in advance of Board or committee meetings, adequate support by Technical Safety BC employees, evaluation of projects, etc;
- determining if there is sufficient Board exposure to Technical Safety BC's management and employees;
- up-to-date and continuing advice and information on problem areas provided, i.e., issues identified, solutions determined and actions taken; and
- Board support of the CEO through assistance and counsel.

Strategy Determination

- Provide the vision and strategic direction for the organization; and
- direct and manage the development of corporate business plans for Technical Safety BC.

Business Planning

- Reviewing and approving the 3 year business plan, ensuring that the plan:
 - a. aligns with the 10 Year Strategy,
 - b. takes into account enterprise and technical risks, and
 - c. is supported by appropriate metrics.

Enterprise and Technical Risk Oversight

- One of the Board's principal accountabilities is to ensure that Technical Safety BC has an adequate and comprehensive enterprise risk management system (ERM), which includes the management of technical risks. Some of the ways in which the Board discharges its oversight responsibility of Technical Safety BC's ERM processes as they relate to strategic, operational and technology risks is by:
 - a. annually directing Management to provide a comprehensive report on the principal risks and control plans and the sufficiency of risk management oversight (including identifying for the Board any deficiencies in Technical Safety BC's ERM framework); reviewing the processes for identifying and classifying risks; reviewing the process to develop and evaluate the effectiveness of risk control strategies; and making recommendations to the Board with respect to improving the design of the ERM process; and
 - b. semi-annually directing Management to report to the Board on any material changes in the status of Technical Safety BC's principal risks as well as providing an update with respect to any emerging risks.

Policies and Procedures

- Board development of policies on governance matters;
- Board approval and monitoring of all significant corporate policies, including (but not necessarily limited to) those pertaining to communications, data governance, investments, spending authority and internal controls;
- monitoring policies to ensure that Technical Safety BC performs in the interests of the Province; and
- ensure that Technical Safety BC operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

Reporting and Consultation

- Monitoring timely reporting of financial results, developments that have a significant and material impact on Technical Safety BC's business operations and plan;
- monitor consultation with stakeholders, and the public served by Technical Safety BC; and
- monitor and foster appropriate and effective consultation with government including the Minister and Ministry responsible for safety standards and other relevant government bodies.

Legal Requirements

Ensure that legal requirements are met, and documents and records are properly prepared, approved and maintained.

13.1 FEES (April 1, 2019)*

Item	Fees
Annual Retainer – Chair	\$ 46,500
Annual Retainer – Committee Chair – Finance and Audit Committee	\$ 20,000
Annual Retainer – Committee Chair – Governance and Human Resources Committee	\$ 20,000
Annual Retainer – Committee Chair – Strategic Advisory Committee	\$ 18,000
Annual Retainer – Directors	\$ 13,400
Board and Committee Meetings fee	\$ 825

*(including travel and preparation time)

13.2 FEE GUIDELINES**Board and Committee Meetings**

“Board and Committee meetings” are defined as any Board meeting or Board committee meeting published in the Board calendar, as approved by the Board annually, or any Board meeting or Board committee meeting added to the calendar during the course of the year.

Other Meetings

The Chair will determine, at the Chair’s discretion, whether a Board or committee meeting fee will apply when a Director, at the request of the Board, the Chair or the President, attends Technical Safety BC offices or elsewhere for the purpose of meeting with individuals or groups beneficial to the development of Technical Safety BC business.

13.3 FEE ADMINISTRATION

1. All claims for fees submitted by Directors, other than the Chair, will be reviewed and approved by the Corporate Secretary and reviewed by the Chair. Fees beyond the Chair’s Annual Retainer, submitted by the Chair, will be reviewed and approved by the Chair of the Governance and Human Resources Committee and the Corporate Secretary.
2. Any questions about fees and expenses will be referred to the Governance and Human Resources Committee for resolution. The

Finance and Audit Committee will conduct an annual review of Directors' fees and expenses.

3. Directors are not required to complete expense forms for fees for Board or committee meetings or for other meetings where minutes, including a record of attendance, are provided to the office of the Corporate Secretary. Expense forms are required to document a speaking engagement, education or development activity, or any other meeting where minutes, including a record of attendance, are not provided to the Board office.
4. Annual retainers for Directors and Committee Chairs are paid quarterly in the month following the quarter.
5. Other than meetings of the Board and its committees, there will be no remuneration for any other activity unless the Board, the Chair, or the President and CEO specifically requests the Director to perform a particular duty on behalf of Technical Safety BC.
6. A Director will receive the following fees:
 - the fee for a teleconference of less than one hour shall be \$400 (revised April 1, 2019).
 - the fee for a teleconference of one hour or more shall be the full Board and committee meeting fee.
 - a Director shall receive a Board and committee meeting fee for each meeting attended but in no event shall the fee exceed \$1,650 per day, regardless of the number of meetings attended.

13.4 EXPENSES

Travel

Private Vehicle Allowance

The private vehicle allowance covers the gas and maintenance costs associated with operating a personal vehicle while traveling on Technical Safety BC business. Directors using their vehicles in the performance of their duties will be reimbursed at the rate currently in effect for Technical Safety BC employees (See Schedule "A").

Accommodation/Lodging

Original hotel/motel receipts must be attached to the travel claim. Directors will make best efforts to use hotels and motels previously approved by Technical Safety BC Officers or employees. Directors may claim \$50.00 when staying in a private home instead of a hotel.

Air Travel

For those Directors who must travel outside their area of residence to attend Board meetings, the cost of airfare is an allowable travel expense. The passenger copy of the air ticket and/or a copy of the receipt or invoice must accompany the claim.

Vehicle Rental

When Directors require rental vehicles, Technical Safety BC will reimburse charges for the base rental fee, additional collision coverage, mileage and gasoline. Receipts must accompany claim for reimbursement. This expense must be authorised and approved by the Corporate Secretary.

Meals

Directors may claim reimbursement for reasonable meal and incidental expenses as supported by receipts, to a maximum rate currently in effect per day for those Directors who must travel outside their area of residence to attend a Board meeting when Technical Safety BC does not arrange meals.

Authorization

All claims for reimbursement should be documented on a Technical Safety BC Expense Claim form. All receipts must be attached and submitted for processing to Technical Safety BC's Executive Office.

Allowance (updated September 2009)

The Chair, at the Chair's discretion, may approve that a Director be paid a per meeting allowance in respect of each Board and committee meeting attended in lieu of expenses. The allowance shall be calculated according to the guidelines for expenses in this section 13.4. Where an allowance is paid, no documentation shall be required and the Director receiving the allowance shall not be entitled to any other amount in respect of expenses related to the meeting(s) for which the allowance was paid.

No credit card will be issued by Technical Safety BC to any member of the Board of Directors.

13.5 SPEAKING ENGAGEMENTS, EDUCATION AND DEVELOPMENT ACTIVITIES AND SOCIAL EVENTS

- The Chair will determine, at the Chair's discretion, whether a Board and committee meetings fee will apply when a Director, at the request of the Board or Chair, attends a speaking engagement.
- Directors will not be paid for time spent attending education and development activities, but Directors will be reimbursed for expenses incurred such as conference fees, meals, accommodation and travel, provided that Directors' participation has been pre-approved, in the case of Directors by the Chair, and, in the case of the Chair, by the Chair of the Governance and Human Resources Committee.
- Directors will not be paid for time spent attending social events, including meals and receptions, but the Chair may authorize the payment of the admission fees to certain of these events.

Schedule “A”

Current rates effective as of October 1, 2019

The current rate for mileage is \$0.55 per kilometre
The current rate for meals is \$65.00 per day

(Breakfast \$14.00, Lunch \$20.00, Dinner \$31.00)

Composition of Technical Safety BC's Board of Directors as of April 11, 2021

MEMBERS	CITY	INITIAL APPOINTMENT	REAPPOINTED	EXPIRY OF CURRENT TERM
Abbott, George	Victoria	January 6, 2014	January 7, 2017 April 2, 2017 Chair	April 1, 2022
Black, Jeremy	West Vancouver	April 2, 2017	April 2, 2020	April 1, 2023
Cavanagh, Judy	New Westminster	July 3, 2019		July 3, 2022
Coughlin, Jeremy	Delta	February 18, 2020		February 17, 2023
Cumming, Neil	Richmond	March 31, 2016 to March 31, 2019	January 7, 2020	January 6, 2023
Guscott, David	Vernon	April 1, 2018	April 1, 2021	March 31, 2024
Limpright, Ivan	Abbotsford	July 3, 2019		July 3, 2022
Olewiler, Nancy	North Vancouver	April 1, 2018	April 1, 2021	March 31, 2024
Smythe, Daniel	Mission	April 11, 2021		April 10, 2024
Stephens, Gail	Victoria	December 7, 2017	December 8, 2020	December 7, 2023
Tourand, Ken	Merritt	January 7, 2020		January 6, 2023
Wesley, Angela	Terrace	January 7, 2020		January 6, 2023

- The term of the Office of the Chair is 5 years, as per Part 3, s.8(2) of the *Safety Authority Act*
- A person may not serve as the Chair for more than 10 consecutive years, as per Part 3, s.8(5) of the *Safety Authority Act*
- The term of a Director is 3 years, as per Part 3, s.8(3) of the *Safety Authority Act*
- A person may not serve as a director for more than 6 consecutive years unless the additional service is as Chair, as per Part 3, s.8(4) of the *Safety Authority Act*

15. INDEMNITY AND INSURANCE COVERAGE

Technical Safety BC Directors have the benefit of a standard indemnity and insurance coverage.